

**TOWNSHIP OF BYRAM
SCHOOL DISTRICT
COUNTY OF SUSSEX, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2012**

**SCHOOL DISTRICT
OF THE
TOWNSHIP OF BYRAM**

**Byram Township Board of Education
Byram, New Jersey**

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2012**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
Township of Byram School District
Byram, New Jersey
For The Fiscal Year Ended June 30, 2012**

**Prepared by
Township of Byram School District
Finance Department**

OUTLINE OF CAFR

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INTRODUCTORY SECTION

TOWNSHIP OF BYRAM BOARD OF EDUCATION

12 MANSFIELD DRIVE • STANHOPE, NEW JERSEY 07874

973-347-1047

www.byramschools.org

BRYAN HENSZ
Superintendent of Schools
Fax: 973-347-9001

THOMAS BARNARD, Principal
Byram Intermediate School
Fax: 973-691-7780

EDWARD ABATO, Principal
Byram Lakes Elementary School
Fax: 973-691-7771

THERESA LINSKEY
Business Administrator / Board Secretary
Fax: 973-347-8794

JENNIFER MORRIS, Assistant Principal
Byram Intermediate School
Fax: 973-691-7780

BETTYANN DeMARCO
CST Coordinator
Fax: 973-448-1935

September 17, 2012

The Honorable President and Members
Of the Board of Education
Byram Township School District
County of Sussex, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Byram Township School District (the "District") for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal, the District's organizational chart, a roster of officials and a list of consultants and advisors. The financial section includes the Independent Auditor's Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and the New Jersey OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Byram Township School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Byram Township School District and all its schools constitute the District's reporting entity.

The Honorable President and Members
of the Board of Education
Byram Township School District

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September 17, 2012

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular as well as special education for handicapped youngsters, remedial support for non-classified students in need, an autistic program, and enrichment activities for our gifted students.

The district completed the 2011-2012 fiscal year with an average daily enrollment of 1,034 students, which is a break even versus the average student enrollment from the previous year. The district average daily enrollment for the past seven years is presented below:

	<u>Average Daily Enrollment</u>	
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-12	1,034	0%
2010-11	1,032	-4.71%
2009-10	1,083	-3.60%
2008-09	1,122	-4.46%
2007-08	1,172	0.26%
2006-07	1,163	1.39%
2005-06	1,147	-5.13%

2) ECONOMIC CONDITION AND OUTLOOK: Byram Township was established on February 5, 1798 and covers more than 22.48 square miles. Byram Township is known as the "Township of Lakes" having more than two dozen lakes and ponds. Byram's proximity to both Route 80 and 206 was instrumental in the increase in population from 1950 to approximately 8,400 in 2010. Township officials say the township will continue to focus on "regulated growth" so as to minimize the impact on township resources.

3) MAJOR INITIATIVES: The 2011-2012 school year was influenced once again, largely by our foremost concern, 'teaching and learning' and also by staffing and financing. We were concerned with improving our overall language arts scores and trying to exceed the NCLB benchmarks. These areas will remain as an ongoing focal point for improvement. The district plans to incorporate more technology into lessons and instructional strategies continue to develop to reach our young learners. Study Island, a technology based program to help focus on necessary skills of the students will be implemented district wide. The most exciting initiative the district has adopted is the reader's workshop approach to help develop reading and comprehension skills of the students. By the end of the 2013-2014 school year, the program will be implemented in all grades.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grant agreements.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure the compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assigned fund balance at June 30, 2012.

6) ACCOUNTING SYSTEM REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. The funds are explained in "Notes to the Basic Financial Statements", Note 2.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which required it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The School Alliance Insurance Fund (SAIF) oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20.

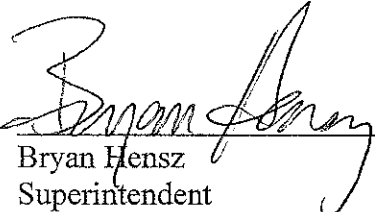
The Board is a member of the School Alliance Insurance Fund (SAIF). SAIF is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members. Additional information on the SAIF is included in Note 11 to the Basic Financial Statements.

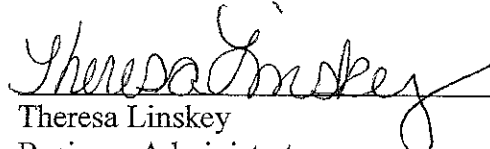
9) DEBT ADMINISTRATION: At June 30, 2012, the District had \$5,725,000.00 in outstanding bonds, \$107,052.89 in outstanding loans under the Safe Schools and Small Projects programs, and \$176,477 in Early Retirement Incentive Program obligations and \$64,798.94 for Capital Leases.

10) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva was selected by the Board of Education at its last organization meeting. In addition to meeting the Single Audit Act Amendments of 1996 and the related Federal OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and the New Jersey OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and specific required supplementary information is included in the single audit section of this report.

11) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Byram Township board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

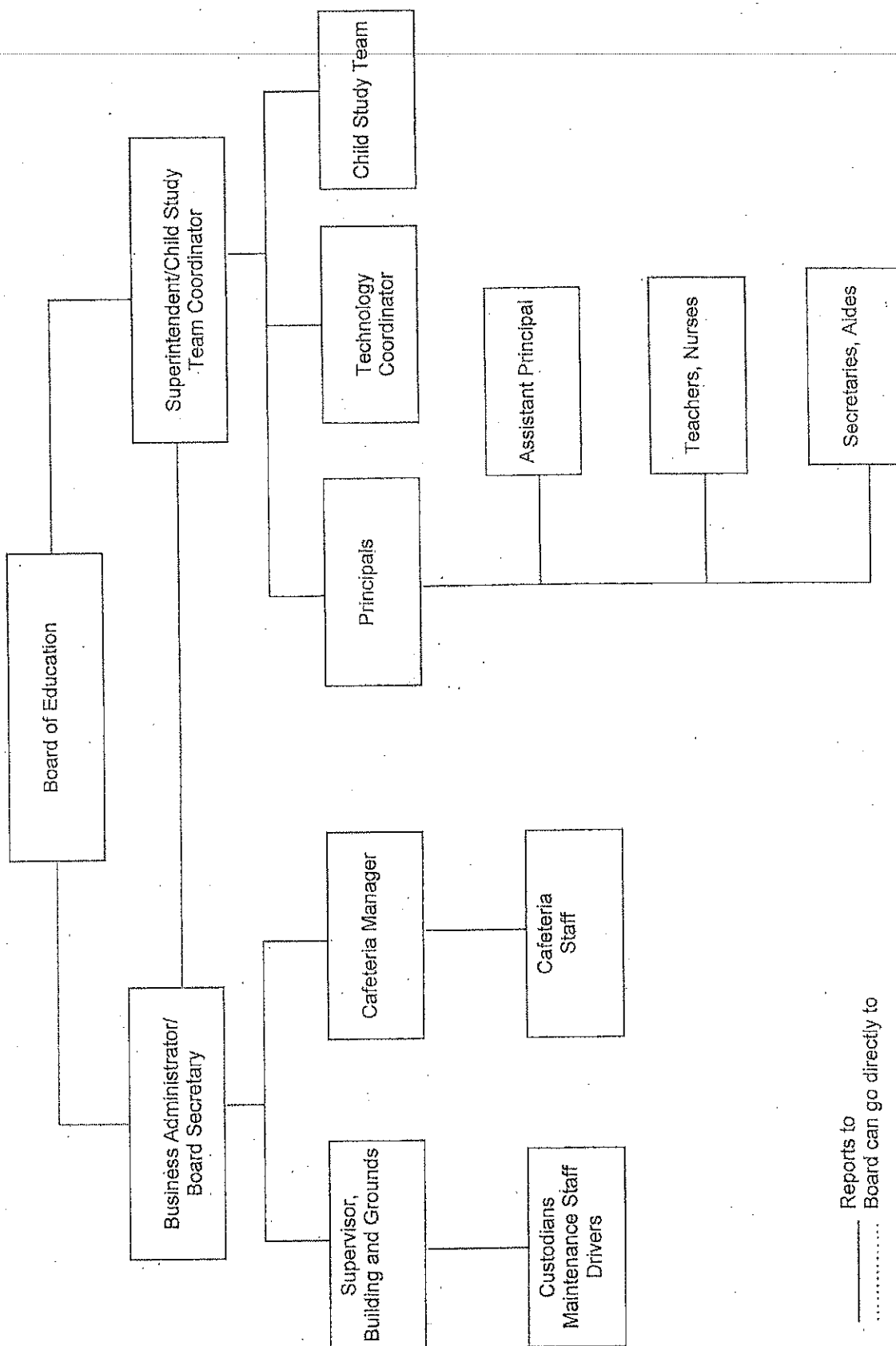
Respectfully submitted,


Bryan Hensz
Superintendent


Theresa Linskey
Business Administrator

BYRAM TOWNSHIP BOARD OF EDUCATION

Organizational Chart/Chain of Command



..... Reports to
..... Board can go directly to

BYRAM TOWNSHIP SCHOOL DISTRICT

ROSTER OF OFFICIALS
JUNE 30, 2012

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Jacqueline Cinotti, President

2013

Kim Dachisen, Vice President

2012

John Garrity

2013

MaryAnn Risley

2014

Lori Sanchez

2014

Kathleen Walsh

2012

Susan Wise

2014

Other Officials

Bryan Hensz, Superintendent of Schools

Theresa Linskey, Business Administrator/Board Secretary

Kerry Murphy, Treasurer of School Monies

BYRAM TOWNSHIP SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

Audit Firm

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.
401 Wanaque Avenue
Pompton Lakes, NJ 07442

Attorney

Anthony Sciarrillo, Esq.
Lindabury, McCormick, Estabrook & Cooper, P.C.
53 Cardinal Drive
P.O. Box 2369
Westfield, NJ 07091

John Ursin, Esq.
Courter, Kobert & Cohen
1001 Route 517
Hackettstown, NJ 07840

Robin Ballard
Schenck, Price, Smith & King, LLP
220 Park Avenue
P.O. Box 991
Florham Park, NJ 07932

Official Depository

PNC Bank of New Jersey
Route 206 & Waterloo Road
Stanhope, NJ 07874

FINANCIAL SECTION

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkottz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Byram Township School District
County of Sussex, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Board of Education of the Byram Township School District, in the County of Sussex, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Byram Township School District Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

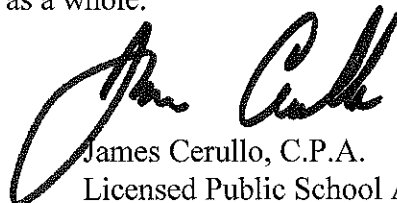
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, and the aggregate remaining fund information of the Byram Township Board of Education, in the County of Sussex, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2012 on our consideration of the Byram Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.


The Management Discussion and Analysis and Budgetary Comparison Information on pages 10 through 19 and 55 through 62 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Byram Township Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

September 17, 2012



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

As management of the Byram Township Board of Education (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of Byram Township Board of Education for the fiscal year ended June 30, 2012.

The management's discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District's financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Debt Service Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net assets increased \$787,219.00, which represents an 8.34% increase from 2011. Net assets of governmental activities increased \$794,334.25 while net assets of business-type activity decreased by \$(7,115.25). These variances are primarily the result of excess miscellaneous revenues and unexpended budget appropriations in 2011-12 and decreased operating revenues of the business-type activities.
- General revenues accounted for \$15,661,277.20 in revenue or 96.62 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$548,317.91 or 3.38 percent of total revenues of \$16,209,595.11.
- The School District had \$15,152,863.47 in expenses related to governmental activities; only \$285,939.91 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$15,661,257.81 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This discussion and analysis are intended to serve as an introduction to the Byram Township Board of Education's basic financial statements. The Byram Township Board of Education's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the Byram Township Board of Education's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Byram Township Board of Education's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Byram Township Board of Education is improvement or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the Byram Township Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Byram Township Board of Education include instruction, support services and special schools. The business-type activities of the Byram Township Board of Education include the food service program.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Byram Township Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the Byram Township Board of Education can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflow of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Byram Township Board of Education maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, and debt service fund which are all considered to be major funds.

The Byram Township Board of Education adopts annual appropriated budgets for its governmental funds except for the capital projects fund. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

Proprietary Funds

The Byram Township Board of Education maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the district-wide financial statements. The Byram Township Board of Education uses enterprise funds to account for its food service program.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the local district services operations.

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are *not* available to support the Byram Township Board of Education's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Assets provides the perspective of the District as a whole. Net assets may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net assets were \$10,231,151.05 at June 30, 2012 and \$9,443,932.05 at June 30, 2011. Restricted net assets are reported separately to show legal constraints that limit the School District's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets for 2012 compared to 2011 (Table 1) and change in net assets (Table 2) of the School District.

Table 1

**Net Assets
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$2,013,285.84	\$1,225,742.95	\$72,443.26	\$55,836.90	\$2,085,729.10	\$1,281,579.85
Capital Assets	<u>14,706,360.16</u>	<u>15,165,794.00</u>	<u>72,035.00</u>	<u>83,437.00</u>	<u>14,778,395.16</u>	<u>15,249,231.00</u>
Total Assets	<u>16,719,646.00</u>	<u>16,391,536.95</u>	<u>144,478.26</u>	<u>139,273.90</u>	<u>16,864,124.26</u>	<u>16,530,810.85</u>
Other Liabilities	345,496.51	255,344.07	17,558.48	5,238.87	363,054.99	260,582.94
Long Term Liabilities	<u>6,269,918.22</u>	<u>6,826,295.86</u>			<u>6,269,918.22</u>	<u>6,826,295.86</u>
Total Liabilities	<u>6,615,414.73</u>	<u>7,081,639.93</u>	<u>17,558.48</u>	<u>5,238.87</u>	<u>6,632,973.21</u>	<u>7,086,878.80</u>
Net Assets						
Invested in Capital Assets-						
Net of Debt	8,886,904.33	8,828,878.01	72,035.00	83,437.00	8,958,939.33	8,912,315.01
Restricted	1,614,062.30	962,857.49			1,614,062.30	962,857.49
Unrestricted	<u>(396,735.36)</u>	<u>(481,838.48)</u>	<u>54,884.78</u>	<u>50,598.03</u>	<u>(341,850.58)</u>	<u>(431,240.45)</u>
Total Net Assets	<u>\$10,104,231.27</u>	<u>\$9,309,897.02</u>	<u>\$126,919.78</u>	<u>\$134,035.03</u>	<u>\$10,231,151.05</u>	<u>\$9,443,932.05</u>

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net assets for fiscal year 2012 compared to 2011.

**Table 2
Changes in Net Assets
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales	\$13,105.00	\$	\$172,735.12	\$195,835.64	\$185,840.12	\$195,835.64
Operating Grants and						
Contributions	272,834.91	362,346.88	89,642.88	85,408.80	362,477.79	447,755.68
General Revenues:						
Taxes:						
Property taxes	10,944,901.00	10,750,713.00			10,944,901.00	10,750,713.00
Federal and State Aid not						
Restricted	4,576,482.91	4,169,555.26			4,576,482.91	4,169,555.26
Miscellaneous Income	<u>139,873.90</u>	<u>107,252.98</u>	<u>19.39</u>	<u>42.35</u>	<u>139,893.29</u>	<u>107,295.33</u>
Total Revenues and Transfers	<u>15,947,197.72</u>	<u>15,389,868.12</u>	<u>262,397.39</u>	<u>281,286.79</u>	<u>16,209,595.11</u>	<u>15,671,154.91</u>

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Functions/Program Expenses						
Instruction:						
Regular	\$5,484,838.71	\$5,289,619.58			\$5,484,838.71	\$5,289,619.58
Special	1,621,760.32	1,450,588.44			1,621,760.32	1,450,588.44
Other Special Instruction	317,182.02	478,940.58			317,182.02	478,940.58
Other Instruction	78,876.16	81,545.35			78,876.16	81,545.35
Support Services:						
Tuition	289,676.33	180,124.36			289,676.33	180,124.36
Student & Instruction						
Related Services	1,852,908.06	1,831,276.23			1,852,908.06	1,831,276.23
School Administrative						
Services	586,539.77	595,251.27			586,539.77	595,251.27
General Administrative						
Services	466,886.76	478,649.86			466,886.76	478,649.86
Central Services and Admin.						
Info. Tech.	436,473.70	360,912.30			436,473.70	360,912.30
Plant Operations and						
Maintenance	1,285,268.47	1,245,775.02			1,285,268.47	1,245,775.02
Pupil Transportation	646,188.78	678,171.08			646,188.78	678,171.08
Unallocated Benefits	1,071,639.51	846,280.06			1,071,639.51	846,280.06
Unallocated depreciation	586,991.54	554,978.00			586,991.54	554,978.00
Charter Schools	50,128.00	37,999.00			50,128.00	37,999.00
Interest on Long-Term Debt	264,477.78	286,067.14			264,477.78	286,067.14
Capital Outlay	113,027.56	45,150.47			113,027.56	45,150.47
Food Service			\$269,512.64	\$279,814.81	269,512.64	279,814.81
Total Expenses and Transfers	<u>15,152,863.47</u>	<u>14,441,328.74</u>	<u>269,512.64</u>	<u>279,814.81</u>	<u>15,422,376.11</u>	<u>14,721,143.55</u>
Increase or (Decrease) in						
Net Assets	<u>\$794,334.25</u>	<u>\$948,539.38</u>	<u>(\$7,115.25)</u>	<u>\$1,471.98</u>	<u>\$787,219.00</u>	<u>\$950,011.36</u>

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$15,422,376.11. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$10,944,901.00 because some of the cost was paid by those who benefited from the programs \$185,840.12, by other governments and organizations who subsidized certain programs with grants and contributions \$362,477.79, and by miscellaneous sources \$4,716,376.20.

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service expenses exceeded revenues by \$7,115.25.
- ✓ Charges for services provided totaled \$172,735.12. This represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$89,642.88.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2012, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and/or to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$15,523.62 for increase in federal and local grant awards.

General Fund

The general fund actual revenue was \$14,896,890.81. That amount is \$1,438,083.81 above the final amended budget of \$13,458,807.00. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$1,110,556.99 for TPAF pension and social security reimbursements and \$327,526.82 for excesses in other anticipated revenues.

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)

General Fund, (continued)

The actual expenditures of the general fund were \$14,254,895.85 including transfers which is \$5,745.87 below the final amended budget of \$14,260,641.72. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$1,110,556.99 for TPAF pension and social security reimbursements, \$73,967.56 for non-budgeted capital leases and \$1,190,270.42 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$14,970,858.37 and total expenditures of \$14,254,895.85 with an ending fund balance of \$2,093,147.21 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was \$259,317.62. That amount is \$8,918.00 less than the final amended budget of \$268,235.62.

The actual expenditures of the special revenue fund were \$259,317.62, which is \$8,918.00 less than the final amended budget of \$268,235.62.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2012 the School District had \$24,646,871.70 invested in sites, buildings and equipment. Of this amount, \$9,868,476.54 in depreciation has been taken over the years. We currently have a net book value of \$14,778,395.16. Total additions for the year were \$127,657.70, the majority of which was for technology equipment. Table 3 shows fiscal year 2012 balances compared to 2011.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$2,136,587.00	\$2,136,587.00			\$2,136,587.00	\$2,136,587.00
Buildings and Improvements	12,095,967.46	12,606,138.00			12,095,967.46	12,606,138.00
Furniture, Equipment and Vehicles	473,805.70	423,069.00	\$72,035.00	\$83,437.00	545,840.70	506,506.00
	<u>\$14,706,360.16</u>	<u>\$15,165,794.00</u>	<u>\$72,035.00</u>	<u>\$83,437.00</u>	<u>\$14,778,395.16</u>	<u>\$15,249,231.00</u>

For more detailed information, please refer to the Notes to Basic Financial Statements.

**BYRAM TOWNSHIP BOARD OF EDUCATION
BYRAM TOWNSHIP, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)

Outstanding Long-Term Liabilities

At June 30, 2012, the District had \$6,269,918.22 of long-term liabilities. Of this amount, \$273,985.39 is for compensated absences; \$5,647,604.00 is for serial bonds for school construction; \$64,798.94 is for capital leases; \$107,052.89 is for loans payable and \$176,477.00 is for the Early Retirement Incentive Program.

**Table 4
Outstanding Serial Bonds at June 30,**

	<u>2012</u>	<u>2011</u>
2006 Refunding School Bonds	\$5,725,000.00	\$6,220,000.00
Less: Deferred Interest on Refundable Bonds	<u>(77,396.00)</u>	<u>(85,996.00)</u>
Net General Obligation Bonds	<u><u>\$5,647,604.00</u></u>	<u><u>\$6,134,004.00</u></u>

For the Future

The 2011-2012 school year realized a decrease in state aid compared to the prior year. The Byram Township School District has been able to do more with less by reducing costs and generating alternative revenue. For instance, the district is installing solar panel canopies and roof panels that will save the district \$25,000 in the first year and close to \$500,000 over the life of the project. We will continue to balance our budget using this conservative, forward thinking approach, however future funding levels continue to remain uncertain.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Theresa Linskey, School Business Administrator/Board Secretary at Byram Township Board of Education, 12 Mansfield Drive, Stanhope, NJ 07874.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BYRAM TOWNSHIP SCHOOL DISTRICT
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	670,126.01	40,670.22	710,796.23
Receivables, net	131,631.60	25,149.26	156,780.86
Inventory		6,623.78	6,623.78
Deferred Charge - Unamortized Bond Issuance Costs	66,278.00	-	66,278.00
Restricted Assets:			
Capital Reserve Account - Cash	1,145,250.23		1,145,250.23
Capital Assets :			
Sites (Land)	2,136,587.00		2,136,587.00
Depreciable Buildings, Improvements and Equipment (net)	12,569,773.16	72,035.00	12,641,808.16
Total Assets	<u>16,719,646.00</u>	<u>144,478.26</u>	<u>16,864,124.26</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	244,141.48	14,129.11	258,270.59
Interfund Payable	5,671.03		5,671.03
Deferred Revenue	-	3,429.37	3,429.37
Unamortized Bond Issuance Premium	95,684.00		95,684.00
Noncurrent Liabilities:			
Due within one year	593,106.92		593,106.92
Due beyond one year	5,676,811.30		5,676,811.30
Total Liabilities	<u>6,615,414.73</u>	<u>17,558.48</u>	<u>6,632,973.21</u>
NET ASSETS			
Invested in Capital Assets, net of Related Debt	8,886,904.33	72,035.00	8,958,939.33
Restricted for:			
Debt Service	0.96		0.96
Capital Projects	1,145,910.23		1,145,910.23
Other Purposes	468,151.11		468,151.11
Unrestricted (Deficit)	(396,735.36)	54,884.78	(341,850.58)
Total Net Assets	<u>10,104,231.27</u>	<u>126,919.78</u>	<u>10,231,151.05</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

BYRAM TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2012

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	4,392,070.29	1,092,768.42		243,944.91	(5,240,893.80)		(5,240,893.80)
Special Education	1,273,022.16	348,738.16			(1,621,760.32)		(1,621,760.32)
Other Special Instruction	248,730.62	68,451.40			(317,182.02)		(317,182.02)
Other Instruction	62,379.95	16,496.21	13,105.00		(65,771.16)		(65,771.16)
Support services:							
Tuition	289,676.33	-			(289,676.33)		(289,676.33)
Student & Instruction Related Services	1,490,233.30	362,674.76		7,792.00	(1,845,116.06)		(1,845,116.06)
School Administrative Services	463,331.37	123,208.40			(586,539.77)		(586,539.77)
General Administrative Services	382,264.58	84,622.18			(466,886.76)		(466,886.76)
Plant Operations and Maintenance	1,157,665.23	127,603.24			(1,285,268.47)		(1,285,268.47)
Pupil Transportation	643,094.94	3,093.84			(646,188.78)		(646,188.78)
Central Services & Admin. Info. Technology	385,425.34	51,048.36			(436,473.70)		(436,473.70)
Unallocated Benefits	1,071,639.51	-			(1,071,639.51)		(1,071,639.51)
Capital Outlay - Non-depreciable	113,027.56	-		10,000.00	(103,027.56)		(103,027.56)
Charter Schools	50,128.00	-			(50,128.00)		(50,128.00)
Interest on Long-term Debt	264,477.78	-		11,098.00	(253,379.78)		(253,379.78)
Unallocated Depreciation	586,991.54	-			(586,991.54)		(586,991.54)
Total Governmental Activities	12,874,158.50	2,278,704.97	13,105.00	272,834.91	(14,866,923.56)	-	(14,866,923.56)
Business-type Activities:							
Food Service	269,512.64		172,735.12	89,642.88		(7,134.64)	(7,134.64)
Total Business-type Activities	269,512.64		172,735.12	89,642.88		(7,134.64)	(7,134.64)
Total Primary Government	13,143,671.14		185,840.12	362,477.79	(14,866,923.56)		(14,874,058.20)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes							
Taxes Levied for Debt Service							
Federal and State Aid not Restricted							
Tuition Received							
Investment Earnings							
Miscellaneous Income							
Total General Revenues, Special Items, Extraordinary Items and Transfers							
Change in Net Assets							
Net Assets—Beginning							
Net Assets—Ending							

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

BYRAM TOWNSHIP SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	670,125.05		0.96	670,126.01
Interfund Receivables	6,767.00			6,767.00
Receivables from Other Governments	123,824.60	7,782.00		131,606.60
Other Receivables	25.00			25.00
Restricted Cash and Cash Equivalents	1,145,250.23			1,145,250.23
Total Assets	<u>1,945,991.88</u>	<u>7,782.00</u>	<u>0.96</u>	<u>1,953,774.84</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	169,319.64	1,015.00		170,334.64
Interfund Payables	5,671.03	6,767.00		12,438.03
Total Liabilities	<u>174,990.67</u>	<u>7,782.00</u>		<u>182,772.67</u>
Fund Balances:				
Restricted for:				
Capital Reserve Account	1,145,910.23			1,145,910.23
Committed to:				
Other Purposes	468,151.11			468,151.11
Assigned to:				
Designated by the Board of Education for Subsequent Year's Expenditures	135,250.00			135,250.00
Debt Service Fund			0.96	0.96
Unassigned:				
General Fund	21,689.87			21,689.87
Total Fund Balances	<u>1,771,001.21</u>	<u>-</u>	<u>0.96</u>	<u>1,771,002.17</u>
Total Liabilities and Fund Balances	<u>1,945,991.88</u>	<u>7,782.00</u>	<u>0.96</u>	

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$24,377,158.70 and the accumulated depreciation is \$9,670,798.54. 14,706,360.16

Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds. (73,806.84)

Bond issuance premium is recorded as revenue in the Governmental Funds in the year of receipt. The original premium is \$159,464.00 and accumulated amortization is \$63,780.00. (95,684.00)

Bond issuance costs are reported as expenditures in the Governmental Funds in the year of the expenditure. The costs are \$110,468.00 and accumulated amortization is \$44,190.00. 66,278.00

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. (6,269,918.22)

Net assets of governmental activities 10,104,231.27

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

BYRAM TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
Local Tax Levy	10,138,800.00		806,101.00	10,944,901.00
Tuition	62,689.00			62,689.00
Tuition Individuals	21,422.00			21,422.00
Interest Earned on Investments	2,135.86			2,135.86
Miscellaneous Activity Fees	13,105.00			13,105.00
Miscellaneous	53,627.04	10,000.00		63,627.04
Total - Local Sources	10,291,778.90	10,000.00	806,101.00	11,107,879.90
State Sources	4,472,382.91	-	11,098.00	4,483,480.91
Federal Sources	104,100.00	251,736.91		355,836.91
Total Revenues	14,868,261.81	261,736.91	817,199.00	15,947,197.72
EXPENDITURES				
Current:				
Regular Instruction	4,148,125.38	243,944.91		4,392,070.29
Special Education Instruction	1,273,022.16			1,273,022.16
Other Special Instruction	248,730.62			248,730.62
Other Instruction	62,379.95			62,379.95
Support Services and Undistributed Costs:				
Tuition	289,676.33			289,676.33
Student & Instruction Related Services	1,482,441.30	7,792.00		1,490,233.30
School Administrative Services	463,331.37			463,331.37
General Administrative Services	382,264.58			382,264.58
Central Services & Admin. Info. Technology	385,425.34			385,425.34
Plant Operations and Maintenance	1,211,763.66			1,211,763.66
Pupil Transportation	643,094.94			643,094.94
Unallocated Benefits	3,383,926.96			3,383,926.96
Capital Outlay	230,585.26	10,000.00		240,585.26
Transfer to Charter School	50,128.00			50,128.00
Debt Service:				
Principal			545,929.29	545,929.29
Interest and Other Charges			271,269.29	271,269.29
Total Expenditures	14,254,895.85	261,736.91	817,198.58	15,333,831.34
Excess (Deficiency) of Revenues Over Expenditures	613,365.96	-	0.42	613,366.38
OTHER FINANCING SOURCES (USES)				
Capital Leases (non-budgeted)	73,967.56			73,967.56
Total other financing sources and (uses)	73,967.56	-	-	73,967.56
Net Change in Fund Balances	687,333.52	-	0.42	687,333.94
Fund Balance—July 1	1,083,667.69		0.54	1,083,668.23
Fund Balance—June 30	1,771,001.21	-	0.96	1,771,002.17

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

BYRAM TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2012

Total net change in fund balances - governmental funds (from B-2) 687,333.94

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	(586,991.54)	
Depreciable Capital Outlays	<u>127,557.70</u>	(459,433.84)

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

In the current year, these amounts consist of:

Principal Payments on Capital Leases	54,098.43
Principal Payments on Bonds Payable	495,000.00
Principal Payments on Loans Payable	50,929.29
Principal Payments on Early Retirement Program Payable	12,920.00

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Capital Lease Proceeds	(73,967.56)
------------------------	-------------

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation. The change in the accrual is an adjustment in the reconciliation.

6,791.51

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Decrease in Compensated Absences Payable	25,997.48
--	-----------

The governmental funds report the effect of bond premiums when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities. (+)

10,630.00

The governmental funds report the effect of deferred interest when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities. (-)

(8,600.00)

The governmental funds report the effect of issuance costs when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities. (-)

(7,365.00)

Change in net assets of governmental activities

794,334.25

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

BYRAM TOWNSHIP SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-Type Activities - Enterprise Fund	
	Food Service Program	Total Enterprise Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	40,670.22	40,670.22
Accounts Receivable:		
State	129.90	129.90
Federal	2,293.33	2,293.33
Other	17,055.00	17,055.00
Interfunds Receivable	5,671.03	5,671.03
Inventories	6,623.78	6,623.78
Total Current Assets	<u>72,443.26</u>	<u>72,443.26</u>
Noncurrent Assets:		
Capital Assets:		
Equipment	269,713.00	269,713.00
Less Accumulated Depreciation	<u>(197,678.00)</u>	<u>(197,678.00)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>72,035.00</u>	<u>72,035.00</u>
Total Assets	<u>144,478.26</u>	<u>144,478.26</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	14,129.11	14,129.11
Deferred Revenue	<u>3,429.37</u>	<u>3,429.37</u>
Total Current Liabilities	<u>17,558.48</u>	<u>17,558.48</u>
NET ASSETS		
Invested in Capital Assets Net of Related Debt	72,035.00	72,035.00
Unrestricted	<u>54,884.78</u>	<u>54,884.78</u>
Total Net Assets	<u>126,919.78</u>	<u>126,919.78</u>

**The accompanying Notes to Basic Financial Statements
are an integral part of this statement.**

BYRAM TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Business-Type Activities - Enterprise Fund	
	Food Service Program	Total Enterprise Fund
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	121,476.51	121,476.51
Daily Sales - Non-Reimbursable Programs	49,696.26	49,696.26
Special Functions	1,562.35	1,562.35
Total Operating Revenues	<u>172,735.12</u>	<u>172,735.12</u>
Operating Expenses:		
Cost of Sales	90,927.87	90,927.87
Salaries	99,872.00	99,872.00
Supplies and Materials	11,795.95	11,795.95
Employee Benefits	19,987.00	19,987.00
Cleaning Repair & Maintenance	6,155.13	6,155.13
Miscellaneous Expense	29,372.69	29,372.69
Depreciation	11,402.00	11,402.00
Total Operating Expenses	<u>269,512.64</u>	<u>269,512.64</u>
Operating Income (Loss)	<u>(96,777.52)</u>	<u>(96,777.52)</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	2,596.73	2,596.73
Federal Sources:		
National School Lunch Program	43,330.04	43,330.04
Special Milk Program	1,310.37	1,310.37
Food Distribution Program	25,350.74	25,350.74
Food Service Company Subsidy	17,055.00	17,055.00
Interest and Investment Revenue	19.39	19.39
Total Nonoperating Revenues (Expenses)	<u>89,662.27</u>	<u>89,662.27</u>
Income (Loss) Before Contributions & Transfers	<u>(7,115.25)</u>	<u>(7,115.25)</u>
Transfers In (Out)	-	-
Change in Net Assets	<u>(7,115.25)</u>	<u>(7,115.25)</u>
Total Net Assets—Beginning (As Restated)	<u>134,035.03</u>	<u>134,035.03</u>
Total Net Assets—Ending	<u>126,919.78</u>	<u>126,919.78</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

BYRAM TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Business-Type Activities - Enterprise Fund	
	Food Service Program	Total Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	172,735.12	172,735.12
Receipts/(Payments) for Interfunds	(5,706.73)	(5,706.73)
Payments to Employees	(99,872.00)	(99,872.00)
Payments to Suppliers	(115,734.18)	(115,734.18)
Net Cash Provided by (Used for) Operating Activities	<u>(48,577.79)</u>	<u>(48,577.79)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	3,286.91	3,286.91
Federal Sources	51,138.12	51,138.12
Management Company Subsidy	9,054.99	9,054.99
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>63,480.02</u>	<u>63,480.02</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	19.39	19.39
Net Cash Provided by (Used for) Investing Activities	<u>19.39</u>	<u>19.39</u>
Net Increase (Decrease) in Cash and Cash Equivalents	14,921.62	14,921.62
Balances—Beginning of Year	25,748.60	25,748.60
Balances—End of Year	<u>40,670.22</u>	<u>40,670.22</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	(96,777.52)	(96,777.52)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used for) Operating Activities		
Depreciation and Net Amortization	11,402.00	11,402.00
Food Distribution Program Donated Commodities	25,350.74	25,350.74
(Increase) Decrease in Interfunds Receivable	(5,671.03)	(5,671.03)
(Increase) Decrease in Inventories	4,798.41	4,798.41
(Increase) Decrease in Interfunds Payable	(35.70)	(35.70)
Increase (Decrease) in Accounts Payable	14,129.11	14,129.11
Increase (Decrease) in Deferred Revenue	(1,773.80)	(1,773.80)
Total Adjustments	<u>48,199.73</u>	<u>48,199.73</u>
Net Cash Provided by (Used for) Operating Activities	<u>(48,577.79)</u>	<u>(48,577.79)</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

BYRAM TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Unemployment Compensation Trust Fund	Agency Fund
ASSETS		
Cash and Cash Equivalents	89,036.58	199,341.97
Total Assets	<u>89,036.58</u>	<u>199,341.97</u>
LIABILITIES		
Payable to Student Groups		72,167.45
Payroll Deductions and Withholdings		127,174.52
Total Liabilities	<u>-</u>	<u>199,341.97</u>
NET ASSETS		
Held in Trust for Unemployment Claims and Other Purposes	<u>89,036.58</u>	

The accompanying Notes to Basic Financial Statements are an integral part of this statement

Exhibit B-8

**BYRAM TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2012**

	Unemployment Compensation Trust Fund
ADDITIONS	
Contributions:	
Plan Member	14,283.20
Total Contributions	<u>14,283.20</u>
Investment Earnings:	
Interest	37.88
Net Investment Earnings	<u>37.88</u>
Total Additions	<u>14,321.08</u>
DEDUCTIONS	
Unemployment Claims	65,586.29
Other	370.50
Total Deductions	<u>65,956.79</u>
Change in Net Assets	(51,635.71)
Net Assets—Beginning of the Year	<u>140,672.29</u>
Net Assets—End of the Year	<u>89,036.58</u>

The accompanying Notes to Basic Financial Statements are an integral part of

NOTES TO THE FINANCIAL STATEMENTS

Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY:

The Board of Education ("Board") of the Township of Byram School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Township of Byram School District is a Type II district located in the County of Sussex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of seven members elected to three-year terms. The purpose of the District is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization's board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Board of Education of the Township of Byram School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Board also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the board's accounting policies are described below.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Basis of Presentation:

The Board's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements:

The statement of net assets and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *government*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Basis of Presentation: (continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Basis of Presentation:

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net assets, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net assets and changes in net assets. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, Student Activities Fund and Payroll Agency Fund.

B. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net assets and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net assets, except for fiduciary funds.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

B. Measurement Focus: (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Basis of Accounting: (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

F. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

G. Tuition Revenues/Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

H. Tuition Payable:

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

I. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

L. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net assets and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

L. Capital Assets: (continued)

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

M. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

N. Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Deferred revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

O. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

O. Accrued Liabilities and Long-term Obligations: (continued)

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

P. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Q. Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

R. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

S. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

T. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

U. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2012, \$-0- of the District's bank balance of \$2,243,875.57 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 4. RECEIVABLES:

Receivables at June 30, 2012, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
State Aid	\$81,939.10	\$129.90	\$82,069.00
Federal Aid	39,012.00	2,293.33	41,305.33
Other	10,680.50	17,055.00	27,735.50
Interfunds	<u>6,767.00</u>	<u>5,671.03</u>	<u>5,671.03</u>
Gross Receivables	138,398.60	25,149.26	156,780.86
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$138,398.60</u>	<u>\$25,149.26</u>	<u>\$156,780.86</u>

NOTE 5. INTERFUND BALANCES AND ACTIVITY:

Balance due to/from other funds at June 30, 2012 consist of the following:

Due to the General Fund from the Special Revenue Fund for short term loans.	\$6,767.00
Due to the Enterprise Fund from the General Fund for Food Service Program revenues deposited in the General Fund.	<u>5,671.03</u>
	<u>\$12,438.03</u>

It is anticipated that all interfunds will be liquidated within the fiscal year.

There were no interfund transfers for the year ended June 30, 2012.

Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 6. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	Balance 6/30/11	Additions	Deductions	Balance 6/30/12
Governmental Activities				
Capital Assets Not Being Depreciated				
Sites (Land)	<u>\$2,136,587.00</u>	<u>\$</u>	<u>\$</u>	<u>\$2,136,587.00</u>
Total Capital Assets, Not Being Depreciated	<u>2,136,587.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,136,587.00</u>
Capital Assets Being Depreciated				
Buildings and Improvements	<u>19,568,768.00</u>			<u>19,568,768.00</u>
Furniture, Equipment and Vehicles	<u>2,585,450.00</u>	<u>127,557.70</u>	<u>(41,204.00)</u>	<u>2,671,803.70</u>
Total Capital Assets, Being Depreciated	<u>22,154,218.00</u>	<u>127,557.70</u>	<u>(41,204.00)</u>	<u>22,240,571.70</u>
Less Accumulated Depreciation:				
Buildings and Improvements	<u>(6,962,630.00)</u>	<u>(510,170.54)</u>		<u>(7,472,800.54)</u>
Furniture, Equipment and Vehicles	<u>(2,162,381.00)</u>	<u>(76,821.00)</u>	<u>41,204.00</u>	<u>(2,197,998.00)</u>
Total Accumulated Depreciation	<u>(9,125,011.00)</u>	<u>(586,991.54)</u>	<u>41,204.00</u>	<u>(9,670,798.54)</u>
Total Capital Assets, Being Depreciated, Net	<u>13,029,207.00</u>	<u>(459,433.84)</u>	<u>0.00</u>	<u>12,569,773.16</u>
Governmental Activities Capital Assets, Net	<u>\$15,165,794.00</u>	<u>(\$459,433.84)</u>	<u>\$0.00</u>	<u>\$14,706,360.16</u>

	Balance 6/30/11	Additions	Deductions	Balance 6/30/12
Business-Type Activity				
Furniture and Equipment	<u>\$269,713.00</u>	<u>\$</u>	<u>\$</u>	<u>\$269,713.00</u>
Totals	<u>269,713.00</u>	<u>0.00</u>	<u>0.00</u>	<u>269,713.00</u>
Less Accumulated Depreciation				
Furniture and Equipment	<u>(186,276.00)</u>	<u>(11,402.00)</u>		<u>(197,678.00)</u>
Total Accumulated Depreciation	<u>(186,276.00)</u>	<u>(11,402.00)</u>	<u>0.00</u>	<u>(197,678.00)</u>
Business-Type Activity Capital Assets, Net	<u>\$83,437.00</u>	<u>(\$11,402.00)</u>	<u>\$0.00</u>	<u>\$72,035.00</u>

Depreciation expense was charged governmental functions as follows:

Unallocated Depreciation	<u>\$586,991.54</u>
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Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 7. LONG-TERM OBLIGATION ACTIVITY:

Changes in long-term obligations for the year ended June 30, 2012 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
Governmental Activities:						
Bonds Payable:						
General Obligation Debt	\$6,220,000.00	\$	(\$495,000.00)	\$5,725,000.00	\$520,000.00	\$5,205,000.00
Less: Deferred Interest	<u>(85,996.00)</u>		<u>8,600.00</u>	<u>(77,396.00)</u>	<u>(8,600.00)</u>	<u>(68,796.00)</u>
Total Bonds Payable	<u>6,134,004.00</u>		<u>(486,400.00)</u>	<u>5,647,604.00</u>	<u>511,400.00</u>	<u>5,136,204.00</u>
Other Liabilities:						
Compensated Absences Payable	299,982.87	31,592.52	(57,590.00)	273,985.39		273,985.39
Capital Leases Payable	44,929.81	73,967.56	(54,098.43)	64,798.94	15,088.60	49,710.34
Loans Payable	157,982.18		(50,929.29)	107,052.89	52,632.32	54,420.57
Unfunded Pension Obligation	<u>189,397.00</u>		<u>(12,920.00)</u>	<u>176,477.00</u>	<u>13,986.00</u>	<u>162,491.00</u>
Total Other Liabilities	<u>692,291.86</u>	<u>105,560.08</u>	<u>(175,537.72)</u>	<u>622,314.22</u>	<u>81,706.92</u>	<u>540,607.30</u>
Total Governmental Activities	<u>\$6,826,295.86</u>	<u>\$105,560.08</u>	<u>(\$661,937.72)</u>	<u>\$6,269,918.22</u>	<u>\$593,106.92</u>	<u>\$5,676,811.30</u>

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Outstanding bonds payable at June 30, 2012 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2012</u>
\$7,185,000.00 School Refunding Bonds Series 2006	9/15/2006	3.50%-5.00%	3/15/2021	<u>\$5,725,000.00</u>

Principal and interest due on serial bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$520,000.00	\$245,650.00	\$765,650.00
2014	550,000.00	219,650.00	769,650.00
2015	580,000.00	192,150.00	772,150.00
2016	610,000.00	166,050.00	776,050.00
2017	635,000.00	138,600.00	773,600.00
2018-2021	<u>2,830,000.00</u>	<u>289,000.00</u>	<u>3,119,000.00</u>
	<u>\$5,725,000.00</u>	<u>\$1,251,100.00</u>	<u>\$6,976,100.00</u>

Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 7. LONG-TERM OBLIGATION ACTIVITY: (continued)

B. Bonds Authorized But Not Issued

As of June 30, 2012 the Board has no authorized but not issued bonds.

C. Capital Leases

The District is leasing a maintenance vehicle and copiers under capital leases. The following is a schedule of the future minimum lease payments under this capital lease and the net minimum lease payments at June 30, 2012:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$15,088.60	\$3,043.16	\$18,131.76
2014	15,237.25	2,266.75	17,504.00
2015	15,417.09	1,466.91	16,884.00
2016	16,260.67	623.33	16,884.00
2017	<u>2,795.33</u>	<u>18.67</u>	<u>2,814.00</u>
Total minimum lease payments	<u>\$64,798.94</u>	<u>\$7,418.82</u>	<u>\$72,217.76</u>

D. Loans Payable

The District is obligated to repay two low interest loans from the Economic Development Authority. The loans were used to fund the Safe School Program and the Small Projects Program and will be retired through the Debt Service Fund. Principal and interest due on the loans outstanding are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$52,632.32	\$3,556.42	\$56,188.74
2014	<u>54,420.57</u>	<u>1,201.24</u>	<u>55,621.81</u>
	<u>\$107,052.89</u>	<u>\$4,757.66</u>	<u>\$111,810.55</u>

Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 7. LONG-TERM OBLIGATION ACTIVITY: (continued)

E. Early Retirement Incentive Program

The District's obligation for principal and interest payments under the Early Retirement Incentive Program (ERIP) is as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$13,986.00	\$14,558.00	\$28,544.00
2014	15,139.00	13,405.00	28,544.00
2015	16,388.00	12,156.00	28,544.00
2016	17,740.00	10,804.00	28,544.00
2017	19,204.00	9,340.00	28,544.00
2018-2021	<u>94,020.00</u>	<u>20,156.00</u>	<u>114,176.00</u>
	<u>\$176,477.00</u>	<u>\$80,419.00</u>	<u>\$256,896.00</u>

NOTE 8. PENSION PLANS:

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 8. PENSION PLANS: (continued)

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Contribution Requirements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2012 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

Year <u>Ending</u>	
6/30/12	\$141,652.00
6/30/11	155,121.50
6/30/10	117,090.50

Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 8. PENSION PLANS: (continued)

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits were as follows:

<u>Year</u>	<u>Pension</u>	<u>Post-Retirement</u>	<u>NCGI</u>
<u>Ending</u>	<u>Contributions</u>	<u>Medical</u>	<u>Premium</u>
<u>Contributions</u>		<u>Contributions</u>	
6/30/12	\$190,265.00	\$423,527.00	\$20,418.00
6/30/11		441,139.00	20,769.00
6/30/10		443,741.00	23,627.00

During the year ended June 30, 2012, the State of New Jersey contributed \$634,210.00 to the TPAF for pension contributions, NCGI Premium contributions and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$476,346.99 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

Legislation enacted during 1993 provides early retirement incentives for certain members of the TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1993 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Board offered the early retirement incentive program (ERIP) to its employees for both PERS and TPAF.

NOTE 9. POST-RETIREMENT BENEFITS:

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits and the State contributed \$935.5 million on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

**Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 9. POST-RETIREMENT BENEFITS: (continued)

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2011, the State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members.

NOTE 10. DEFERRED COMPENSATION:

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

American Funds	Lincoln National Insurance
AXA Equitable	MetLife
Fidelity Investments	VanGuard
First Investors	Washington National Insurance

Equitable Life Assurance, Inc. is also the plan administrator for the 401(a) plan available to the Superintendent and Business Administrator/Board Secretary. Metropolitan Life is the plan administrator for the District's Internal Revenue Code Section 457 plan.

NOTE 11. RISK MANAGEMENT:

The District is exposed to various risks of loss related to general liability, automobile coverage; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has obtained insurance coverage to guard against these events to minimize the exposure to the District should they occur.

Property and Liability Insurance - The District is currently a member of the School Alliance Insurance Fund (the "Fund"). The Fund provides it's members with General Liability, Auto Liability, Property, Employee Benefits Liability, Worker's Compensation and Employer Liability Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of School District's established for the purpose of providing low-cost insurance coverage for their respective members in order to keep insurance costs at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Funds are elected.

Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 11. RISK MANAGEMENT: (continued)

As a member of the Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Funds were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. However, this Fund has fully reinsured the exposures above all limits subscribed to by its members. The Funds can declare and distribute dividends to members upon arrival of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Financial Statements for the Fund are available at the office of the Fund's Executive Director, 51 Everett Drive, Suite B-40, West Windsor, New Jersey 08550.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$37.88	\$14,283.20	\$65,956.79	\$89,036.58
2010-2011	225,079.49	12,502.39	119,896.97	140,672.29
2009-2010	2,169.99	13,861.86	87,170.67	22,987.38

NOTE 12. CAPITAL RESERVE ACCOUNT:

A capital reserve account was established by the Township of Byram Board of Education during the fiscal year ending June 30, 1996, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 12. CAPITAL RESERVE ACCOUNT: (continued)

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). A district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$211,351.23
Deposit - Board Resolution June 20, 2012	<u>934,559.00</u>
Ending balance, June 30, 2012	<u>\$1,145,910.23</u>

The balance in the capital reserve account at June 30, 2012 does not exceed the balance of local support costs of uncompleted capital projects in its LFRP. Withdrawals from the capital reserve, where applicable, are for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

NOTE 13. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$1,771,001.21 General Fund fund balance at June 30, 2012, \$468,151.11 is reserved for encumbrances; \$1,145,910.23 has been reserved in the Capital Reserve Account; \$135,250.00 has been appropriated and included as anticipated revenue for the year ended June 30, 2013; and \$21,689.87 is unreserved and undesignated.

Debt Service Fund - Of the \$.96 Debt Service Fund fund balance at June 30, 2012, \$0.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2013; and \$.96 is unreserved and undesignated.

Township of Byram School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 14. CALCULATION OF EXCESS SURPLUS:

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District did not have any excess surplus at June 30, 2012.

NOTE 15. INVENTORY:

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

Food	\$5,141.52
Supplies	<u>1,482.26</u>
	<u>\$6,623.78</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

NOTE 16. CONTINGENT LIABILITIES:

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. The District estimates that any potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

BYRAM TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

Exhibit C-1

Page 1 of 5

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	10,138,800.00		10,138,800.00	10,138,800.00	-
Tuition			-	62,689.00	62,689.00
Tuition Individuals			-	21,422.00	21,422.00
Interest Earned on Capital Reserve Funds	100.00		100.00		(100.00)
Miscellaneous - Activity Fees	7,225.00		7,225.00	13,105.00	5,880.00
Interest on Investments	1,000.00		1,000.00	2,135.86	1,135.86
Miscellaneous	12,000.00		12,000.00	53,627.04	41,627.04
Total - Local Sources	<u>10,159,125.00</u>	<u>-</u>	<u>10,159,125.00</u>	<u>10,291,778.90</u>	<u>132,653.90</u>
State Sources:					
Special Education Categorical Aid	508,241.00		508,241.00	508,241.00	-
Equalization Aid	2,434,461.00		2,434,461.00	2,434,461.00	-
Security Aid	69,207.00		69,207.00	69,207.00	-
Transportation Aid	160,867.00		160,867.00	296,117.00	135,250.00
Extraordinary Aid			-	76,905.00	76,905.00
Other State Aid - Reimburse Nonpublic School Transportation			-	5,523.92	5,523.92
On-behalf TPAF NCGI Premium (non-budgeted)			-	20,418.00	20,418.00
On-behalf TPAF Pension Contributions (non-budgeted)			-	190,265.00	190,265.00
On-behalf TPAF Post Retirement Medical (non-budgeted)			-	423,527.00	423,527.00
TPAF Social Security (Reimbursed - Non-Budgeted)			-	476,346.99	476,346.99
Total - State Sources	<u>3,172,776.00</u>	<u>-</u>	<u>3,172,776.00</u>	<u>4,501,011.91</u>	<u>1,328,235.91</u>
Federal Sources:					
Education Jobs Grant	123,051.00	3,855.00	126,906.00	104,100.00	(22,806.00)
Total - Federal Sources	<u>123,051.00</u>	<u>3,855.00</u>	<u>126,906.00</u>	<u>104,100.00</u>	<u>(22,806.00)</u>
TOTAL REVENUES	<u>13,454,952.00</u>	<u>3,855.00</u>	<u>13,458,807.00</u>	<u>14,896,890.81</u>	<u>1,438,083.81</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	129,095.00	48,225.00	177,320.00	175,339.50	1,980.50
Grades 1-5 - Salaries of Teachers	2,279,809.86	(158,921.09)	2,120,888.77	2,111,115.09	9,773.68
Grades 6-8 - Salaries of Teachers	1,626,791.45	52,397.02	1,679,188.47	1,678,418.47	770.00
Regular Programs - Home Instruction:					
Salaries of Teachers	4,000.00	1,900.00	5,900.00	5,900.00	-
Other Purchased Services (400-500 series)	100.00		100.00		100.00
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	900.00	7,000.00	7,900.00	1,384.00	6,516.00
Other Purchased Services (400-500 series)	400.00		400.00	300.00	100.00
General Supplies	213,135.86	6,797.79	219,933.65	146,474.98	73,458.67
Textbooks	105,425.15	(15,094.79)	90,330.36	28,042.35	62,288.01
Other Objects	1,300.00		1,300.00	1,150.99	149.01
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>4,360,957.32</u>	<u>(57,696.07)</u>	<u>4,303,261.25</u>	<u>4,148,125.38</u>	<u>155,135.87</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	303,375.00	(106,000.00)	197,375.00	193,622.00	3,753.00
Other Salaries for Instruction	57,529.13	(40,000.00)	17,529.13	15,552.00	1,977.13
General Supplies	6,000.00		6,000.00	683.80	5,316.20
Total Learning and/or Language Disabilities	<u>366,904.13</u>	<u>(146,000.00)</u>	<u>220,904.13</u>	<u>209,857.80</u>	<u>11,046.33</u>
Multiple Disabilities:					
Salaries of Teachers	56,160.00	79,266.60	135,426.60	125,955.46	9,471.14
Other Salaries for Instruction		64,801.30	64,801.30	55,531.80	9,269.50
Total Multiple Disabilities	<u>56,160.00</u>	<u>144,067.90</u>	<u>200,227.90</u>	<u>181,487.26</u>	<u>18,740.64</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

Page 2 of 5

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Resource Room/Resource Center:					
Salaries of Teachers	582,860.40	122,112.00	704,972.40	703,534.40	1,438.00
Other Salaries for Instruction	36,534.13		36,534.13	23,297.58	13,236.55
General Supplies	4,000.00	336.68	4,336.68	2,574.24	1,762.44
Total Resource Room/Resource Center	<u>623,394.53</u>	<u>122,448.68</u>	<u>745,843.21</u>	<u>729,406.22</u>	<u>16,436.99</u>
Autisim:					
Salaries of Teachers	56,935.00	(35,000.00)	21,935.00	767.75	21,167.25
Other Salaries for Instruction	83,809.43	(12,000.00)	71,809.43	61,225.57	10,583.86
General Supplies	5,000.00		5,000.00	1,525.11	3,474.89
Total Autisim	<u>145,744.43</u>	<u>(47,000.00)</u>	<u>98,744.43</u>	<u>63,518.43</u>	<u>35,226.00</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	104,235.00	(20,708.86)	83,526.14	59,961.14	23,565.00
Other Salaries for Instruction	14,369.00	12,000.00	26,369.00	23,917.11	2,451.89
General Supplies	1,000.00		1,000.00	1,000.00	-
Total Preschool Disabilities - Part-Time	<u>119,604.00</u>	<u>(8,708.86)</u>	<u>110,895.14</u>	<u>84,878.25</u>	<u>26,016.89</u>
Home Instruction:					
Salaries of Teachers	20,000.00		20,000.00	3,838.80	16,161.20
Purchased Professional-Educational Services	300.00		300.00		300.00
Other Purchased Services (400-500 series)	200.00		200.00	35.40	164.60
Total Preschool Disabilities - Full-Time	<u>20,500.00</u>	<u>-</u>	<u>20,500.00</u>	<u>3,874.20</u>	<u>16,625.80</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,332,307.09</u>	<u>64,807.72</u>	<u>1,397,114.81</u>	<u>1,273,022.16</u>	<u>124,092.65</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	346,740.00	(90,354.38)	256,385.62	248,730.62	7,655.00
General Supplies	1,400.00		1,400.00		1,400.00
Total Basic Skills/Remedial - Instruction	<u>348,140.00</u>	<u>(90,354.38)</u>	<u>257,785.62</u>	<u>248,730.62</u>	<u>9,055.00</u>
School-Sponsored Cocurricular Activities - Instruction					
Salaries	33,245.00	4,575.00	37,820.00	35,765.00	2,055.00
Supplies and Materials	500.00	(500.00)	-		-
Total School-Sponsored Cocurricular Activities - Instruction	<u>33,745.00</u>	<u>4,075.00</u>	<u>37,820.00</u>	<u>35,765.00</u>	<u>2,055.00</u>
School-Sponsored Athletics - Instruction					
Salaries	24,375.00		24,375.00	24,177.00	198.00
Purchased Services (300-500 series)	5,000.00	(1,855.00)	3,145.00	2,318.00	827.00
Supplies and Materials	500.00		500.00	119.95	380.05
Total School-Sponsored Athletics - Instruction	<u>29,875.00</u>	<u>(1,855.00)</u>	<u>28,020.00</u>	<u>26,614.95</u>	<u>1,405.05</u>
TOTAL INSTRUCTION	<u>6,105,024.41</u>	<u>(81,022.73)</u>	<u>6,024,001.68</u>	<u>5,732,258.11</u>	<u>291,743.57</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	66,225.00	5,447.52	71,672.52	71,672.52	-
Tuition to Private Schools for the Disabled - Within State	200,287.00	18,414.10	218,701.10	218,003.81	697.29
Tuition - Other	11,500.00	(9,912.52)	1,587.48		1,587.48
Total Undistributed Expenditures - Instruction:	<u>278,012.00</u>	<u>13,949.10</u>	<u>291,961.10</u>	<u>289,676.33</u>	<u>2,284.77</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	10,879.35	(1,044.11)	9,835.24	9,791.04	44.20
Purchased Professional and Technical Services	8,150.00	156.00	8,306.00	8,306.00	-
Total Undistributed Expend. - Attend. & Social Work	<u>19,029.35</u>	<u>(888.11)</u>	<u>18,141.24</u>	<u>18,097.04</u>	<u>44.20</u>
Undist. Expend. - Health Services					
Salaries	139,650.00	2,935.00	142,585.00	142,485.00	100.00
Purchased Professional and Technical Services	262.50		262.50	262.50	-
Supplies and Materials	6,400.00	(500.00)	5,900.00	4,286.25	1,613.75
Total Undistributed Expenditures - Health Services	<u>146,312.50</u>	<u>2,435.00</u>	<u>148,747.50</u>	<u>147,033.75</u>	<u>1,713.75</u>
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries	390,985.00	51,596.12	442,581.12	396,295.50	46,285.62
Purchased Professional - Educational Services	95,000.00	3,413.00	98,413.00	98,413.00	-
Supplies and Materials	4,000.00	200.00	4,200.00	3,963.90	236.10
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	<u>489,985.00</u>	<u>55,209.12</u>	<u>545,194.12</u>	<u>498,672.40</u>	<u>46,521.72</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

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	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Other Supp. Serv. Students-Extra Services					
Salaries	218,365.59	(19,533.56)	198,832.03	197,576.16	1,255.87
Purchased Professional - Educational Services	12,000.00	(9,067.90)	2,932.10	2,460.00	472.10
Supplies and Materials	5,500.00	(1,061.00)	4,439.00		4,439.00
Total Undist. Expend. - Other Supp. Serv. Students-Extra Serv.	235,865.59	(29,662.46)	206,203.13	200,036.16	6,166.97
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	55,035.00	11,520.00	66,555.00	66,555.00	-
Purchased Professional - Educational Services	2,000.00	(156.00)	1,844.00	71.00	1,773.00
Supplies and Materials	10,000.00	(9,646.20)	353.80	353.80	-
Total Undist. Expend. - Guidance	67,035.00	1,717.80	68,752.80	66,979.80	1,773.00
Undist. Expend. - Child Study Team					
Salaries of Other Professional Staff	322,091.80	(1,905.71)	320,186.09	320,186.09	-
Salaries of Secretarial and Clerical Assistants	52,215.55		52,215.55	52,215.00	0.55
Purchased Professional - Educational Services	4,000.00	11,565.00	15,565.00	12,722.45	2,842.55
Other Purchased Prof. and Tech. Services	2,000.00		2,000.00	148.39	1,851.61
Other Purchased Services (400-500 series)	9,000.00	(6,759.22)	2,240.78	250.00	1,990.78
Supplies and Materials	15,000.00	(4,280.17)	10,719.83	10,719.83	-
Other Objects	150.00		150.00	100.00	50.00
Total Undist. Expend. - Child Study Team	404,457.35	(1,380.10)	403,077.25	396,341.76	6,735.49
Undist. Expend. - Improvement of Instructional Services					
Salaries of Other Professional Staff	16,000.00		16,000.00	6,600.00	9,400.00
Other Purch Services (400-500)	17,000.00		17,000.00	8,954.85	8,045.15
Total Undist. Expend. - Improvement of Inst. Services	33,000.00	-	33,000.00	15,554.85	17,445.15
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	28,706.14	2,099.89	30,806.03	30,806.03	-
Other Purchased Services (400-500 series)	500.00		500.00		500.00
Supplies and Materials	18,562.33	2,462.45	21,024.78	11,984.48	9,040.30
Other Objects	5,500.00	(2,462.45)	3,037.55		3,037.55
Total Undist. Expend. - Educational Media Serv./Sch. Library	53,268.47	2,099.89	55,368.36	42,790.51	12,577.85
Undist. Expend. - Instructional Staff Training Serv.					
Other Salaries	95,218.00	116.98	95,334.98	95,334.98	-
Other Purchased Services (400-500 series)	2,200.00	(116.98)	2,083.02	1,600.05	482.97
Total Undist. Expend. - Instructional Staff Training Serv.	97,418.00	-	97,418.00	96,935.03	482.97
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	228,846.00	(11,075.61)	217,770.39	217,301.18	469.21
Legal Services	50,000.00	20,803.21	70,803.21	70,803.21	-
Audit Fees	20,000.00		20,000.00	18,250.00	1,750.00
Communications/Telephone	28,400.00	(7,253.10)	21,146.90	20,532.41	614.49
BOE Other Purchased Services	3,000.00		3,000.00	2,588.82	411.18
Other Purchased Services (400-500 series)	30,434.06	(4,683.69)	25,750.37	21,052.96	4,697.41
General Supplies	5,340.00	1,985.94	7,325.94	6,927.94	398.00
BOE in House Expenses	200.00		200.00		200.00
Judgments	400,000.00		400,000.00		400,000.00
Miscellaneous Expenditures	17,331.00		17,331.00	17,084.81	246.19
BOE Membership Dues and Fees	7,500.00	223.25	7,723.25	7,723.25	-
Total Undist. Expend. - Supp. Serv. - General Administration	791,051.06	(0.00)	791,051.06	382,264.58	408,786.48
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	211,177.00	12,892.38	224,069.38	224,069.38	-
Salaries of Secretarial and Clerical Assistants	129,612.12	3,384.80	132,996.92	132,996.92	-
Other Salaries	79,568.00	11,065.85	90,633.85	90,633.85	-
Other Purchased Services (400-500 series)	13,600.00	(7,035.18)	6,564.82	6,472.88	91.94
Supplies and Materials	13,000.00	(7,215.17)	5,784.83	5,376.42	408.41
Other Objects	5,500.00	(1,718.08)	3,781.92	3,781.92	-
Total Undist. Expend. - Support Serv. - School Administration	452,457.12	11,374.60	463,831.72	463,331.37	500.35

BYRAM TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

Exhibit C-1

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	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services					
Salaries	185,474.00	19.50	185,493.50	185,493.50	-
Purchased Professional Services	28,086.00	(19.50)	28,066.50	26,915.66	1,150.84
Purchased Technical Services	1,100.00	(664.00)	436.00		436.00
Misc. Pur Serv (400-500 series)	5,339.00	(716.54)	4,622.46	2,762.98	1,859.48
Supplies and Materials	4,300.00	376.54	4,676.54	4,676.54	-
Miscellaneous Expenditures	1,950.00	1,004.00	2,954.00	2,954.00	-
Undist. Expend. - Central Services	226,249.00	-	226,249.00	222,802.68	3,446.32
Undist. Expend. - Admin. Info. Technology					
Purchased Technical Services	52,676.00		52,676.00	51,560.93	1,115.07
Other Purchased Services (400-500 series)	41,941.00		41,941.00	19,801.38	22,139.62
Supplies and Materials	106,731.46	40,116.99	146,848.45	91,260.35	55,588.10
Undist. Expend. - Admin. Info. Technology	201,348.46	40,116.99	241,465.45	162,622.66	78,842.79
Undist. Expend. - Required Maint. for School Facilities					
Cleaning, Repair and Maintenance Services	166,374.48	8,499.55	174,874.03	163,864.03	11,010.00
General Supplies	10,000.00	(5,883.43)	4,116.57	2,901.11	1,215.46
Undist. Expend. - Required Maint. for School Facilities	176,374.48	2,616.12	178,990.60	166,765.14	12,225.46
Undist. Expend. - Oth. Oper. & Maint. of Plant					
Salaries	455,621.49	16,744.48	472,365.97	463,669.61	8,696.36
Purchased Professional and Technical Services	11,192.00	1,000.00	12,192.00	11,786.04	405.96
Cleaning, Repair and Maintenance Services	38,098.00		38,098.00	33,297.73	4,800.27
Other Purchased Property Services	58,600.00	4,853.21	63,453.21	63,453.21	-
Insurance	43,500.00		43,500.00	39,360.00	4,140.00
Miscellaneous Purchased Services	13,805.00		13,805.00	8,383.42	5,421.58
General Supplies	83,409.74	(16,608.81)	66,800.93	47,727.86	19,073.07
Energy (Electricity)	240,000.00		240,000.00	240,000.00	-
Energy (Oil)	200,000.00	(8,605.00)	191,395.00	137,195.65	54,199.35
Other Objects	125.00		125.00	125.00	-
Total Undist. Expend. - Other Oper. & Maint. Of Plant	1,144,351.23	(2,616.12)	1,141,735.11	1,044,998.52	96,736.59
Undist. Expend. - Student Transportation Services					
Other Purchased Prof. and Tech. Services	2,600.00		2,600.00		2,600.00
Cleaning, Repair and Maintenance Services	13,000.00		13,000.00	11,242.03	1,757.97
Contracted Services (Between Home and School)-Vendors	471,975.00	(6,843.12)	465,131.88	464,001.48	1,130.40
Contracted Services (Other than Bet Home and School)-Vendors	10,000.00	6,843.12	16,843.12	16,226.21	616.91
Contracted Services (Regular Students)-ESCs & CTSA's	32,000.00		32,000.00	28,539.52	3,460.48
Contracted Services (Special Ed. Students)-ESCs & CTSA's	90,000.00	8,212.98	98,212.98	97,929.70	283.28
Contracted Services - Aid in Lieu Payments-Non Public Schools	25,000.00	(7,320.00)	17,680.00	16,796.00	884.00
Miscellaneous Purchased Services - Transportation	8,500.00		8,500.00	7,756.00	744.00
Supplies and Materials	3,000.00	(892.98)	2,107.02	200.00	1,907.02
Other Objects	500.00		500.00	404.00	96.00
Total Undist. Expend. - Student Transportation Services	656,575.00	-	656,575.00	643,094.94	13,480.06
UNALLOCATED BENEFITS					
Group Insurance	275.00		275.00		275.00
Social Security Contributions	157,000.00	4,335.40	161,335.40	161,335.40	-
T.P.A.F. Contributions - ERIP	28,544.00		28,544.00	28,544.00	-
Other Retirement Contributions - PERS		141,652.00	141,652.00	141,652.00	-
Other Retirement Contributions - Regular	175,000.00	(164,800.30)	10,199.70	6,597.53	3,602.17
Workmen's Compensation	85,000.00	1,971.00	86,971.00	86,971.00	-
Health Benefits	1,639,560.00	3,855.00	1,643,415.00	1,465,016.74	178,398.26
Tuition Reimbursement	20,000.00		20,000.00	13,512.50	6,487.50
Other Employee Benefits	366,848.00	2,892.80	369,740.80	369,740.80	-
TOTAL UNALLOCATED BENEFITS	2,472,227.00	(10,094.10)	2,462,132.90	2,273,369.97	188,762.93
On-behalf TPAF NCGI Premium (non-budgeted)			-	20,418.00	(20,418.00)
On-behalf TPAF Pension Contributions (non-budgeted)			-	190,265.00	(190,265.00)
On-behalf TPAF Post Retirement Medical (non-budgeted)			-	423,527.00	(423,527.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)			-	476,346.99	(476,346.99)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	1,110,556.99	(1,110,556.99)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,472,227.00	(10,094.10)	2,462,132.90	3,383,926.96	(921,794.06)
TOTAL UNDISTRIBUTED EXPENDITURES	7,945,016.61	84,877.73	8,029,894.34	8,241,924.48	(212,030.14)

BYRAM TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

Exhibit C-1
Page 5 of 5

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
TOTAL GENERAL CURRENT EXPENSE	<u>14,050,041.02</u>	<u>3,855.00</u>	<u>14,053,896.02</u>	<u>13,974,182.59</u>	<u>79,713.43</u>
CAPITAL OUTLAY					
Equipment					
Support Services:					
Undistributed Expenditures - Admin. Info. Tech.	<u>127,557.70</u>		<u>127,557.70</u>	<u>127,557.70</u>	<u>-</u>
Total Equipment	<u>127,557.70</u>	<u>-</u>	<u>127,557.70</u>	<u>127,557.70</u>	<u>-</u>
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	<u>29,060.00</u>		<u>29,060.00</u>	<u>29,060.00</u>	<u>-</u>
Total Facilities Acquisition and Construction Services	<u>29,060.00</u>	<u>-</u>	<u>29,060.00</u>	<u>29,060.00</u>	<u>-</u>
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
Undistributed Expenditures - Central Services			<u>-</u>	<u>73,967.56</u>	<u>(73,967.56)</u>
Assets Acquired Under Capital Leases (non-budgeted)	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,967.56</u>	<u>(73,967.56)</u>
TOTAL CAPITAL OUTLAY	<u>156,617.70</u>	<u>-</u>	<u>156,617.70</u>	<u>230,585.26</u>	<u>(73,967.56)</u>
Transfer of Funds to Charter Schools	<u>50,128.00</u>		<u>50,128.00</u>	<u>50,128.00</u>	<u>-</u>
TOTAL EXPENDITURES	<u>14,256,786.72</u>	<u>3,855.00</u>	<u>14,260,641.72</u>	<u>14,254,895.85</u>	<u>5,745.87</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(801,834.72)</u>	<u>(0.00)</u>	<u>(801,834.72)</u>	<u>641,994.96</u>	<u>1,443,829.68</u>
Other Financing Sources/(Uses):					
Capital Leases (non-budgeted)			<u>-</u>	<u>73,967.56</u>	<u>73,967.56</u>
Total Other Financing Sources/(Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,967.56</u>	<u>73,967.56</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(801,834.72)</u>	<u>(0.00)</u>	<u>(801,834.72)</u>	<u>715,962.52</u>	<u>1,517,797.24</u>
Fund Balance, July 1	<u>1,377,184.69</u>		<u>1,377,184.69</u>	<u>1,377,184.69</u>	<u>-</u>
Fund Balance, June 30	<u>575,349.97</u>	<u>(0.00)</u>	<u>575,349.97</u>	<u>2,093,147.21</u>	<u>1,517,797.24</u>
Recapitulation of excess (deficiency) of revenues under expenditures					
Adjustment for Prior Year Encumbrances	<u>(751,505.72)</u>		<u>(751,505.72)</u>	<u>(751,505.72)</u>	<u>-</u>
Increase in Capital Reserve:					
Principal			<u>-</u>	<u>934,559.00</u>	<u>934,559.00</u>
Interest	<u>100.00</u>		<u>100.00</u>		<u>(100.00)</u>
Budgeted Fund Balance	<u>(50,429.00)</u>		<u>(50,429.00)</u>	<u>532,909.26</u>	<u>583,338.26</u>
	<u>(801,834.72)</u>	<u>-</u>	<u>(801,834.72)</u>	<u>715,962.54</u>	<u>1,517,797.26</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				<u>1,145,910.23</u>	
Committed Fund Balance:					
Year End Encumbrances				<u>468,151.11</u>	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				<u>135,250.00</u>	
Unassigned Fund Balance				<u>343,835.87</u>	
				<u>2,093,147.21</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				<u>(322,146.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>1,771,001.21</u>	

BYRAM TOWNSHIP SCHOOL DISTRICT
Education Jobs Fund - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2012

Page 1 of 1

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Education Jobs Fund:					
Federal Sources:					
Education Jobs Fund	123,051.00	3,855.00	126,906.00	104,100.00	(22,806.00)
Total - Federal Sources	123,051.00	3,855.00	126,906.00	104,100.00	(22,806.00)
TOTAL REVENUES	<u>123,051.00</u>	<u>3,855.00</u>	<u>126,906.00</u>	<u>104,100.00</u>	<u>(22,806.00)</u>
EXPENDITURES:					
Education Jobs Fund:					
UNALLOCATED BENEFITS					
Health Benefits	123,051.00	3,855.00	126,906.00	104,100.00	22,806.00
TOTAL UNALLOCATED BENEFITS	<u>123,051.00</u>	<u>3,855.00</u>	<u>126,906.00</u>	<u>104,100.00</u>	<u>22,806.00</u>
TOTAL EXPENDITURES	<u>123,051.00</u>	<u>3,855.00</u>	<u>126,906.00</u>	<u>104,100.00</u>	<u>22,806.00</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		10,000.00	10,000.00	10,000.00	-
Federal Sources	252,712.00	5,523.62	258,235.62	249,317.62	(8,918.00)
Total Revenues	252,712.00	15,523.62	268,235.62	259,317.62	(8,918.00)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	15,322.00		15,322.00	10,420.00	4,902.00
Purchased Professional and Technical Services	10,662.00	1,511.76	12,173.76	8,157.76	4,016.00
Other Purchased Services (400-500 series)	215,392.00	(3,529.00)	211,863.00	211,863.00	-
General Supplies	1,762.00	6,159.50	7,921.50	7,921.50	-
Other Objects	-	3,163.36	3,163.36	3,163.36	-
Total Instruction	243,138.00	7,305.62	250,443.62	241,525.62	8,918.00
Support Services:					
Purchased Professional & Technical Services	9,574.00	(1,782.00)	7,792.00	7,792.00	-
Total Support Services	9,574.00	(1,782.00)	7,792.00	7,792.00	-
Facilities Acquisition and Const. Serv.:					
Instructional Equipment	-	10,000.00	10,000.00	10,000.00	-
Total Facilities Acquisition and Const. Serv.	-	10,000.00	10,000.00	10,000.00	-
Total Expenditures	252,712.00	15,523.62	268,235.62	259,317.62	8,918.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

BYRAM TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2012

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	14,896,890.81	259,317.62
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that			
encumbrances are recognized as expenditures, and the related			
revenue is recognized.			
Current Year			
Prior Year			2,419.29
The last State aid payment is recognized as revenue for budgetary			
purposes in the General Fund, and differs from GAAP which			
does not recognize this revenue until the subsequent year when			
the State recognizes the related expense (GASB 33).			
State aid payment recognized for budgetary purposes, not recognized			
for GAAP statements until the subsequent year.		(322,146.00)	
State aid payment recognized for GAAP statements in the current			
year, previously recognized for budgetary purposes.		293,517.00	
Total revenues as reported on the statement of revenues, expenditures			
and changes in fund balances - governmental funds.	[B-2]	<u>14,868,261.81</u>	<u>261,736.91</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the			
budgetary comparison schedule	[C-1]&[C-2]	14,254,895.85	259,317.62
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but			
not received are reported in the year the order is placed for			
<i>budgetary</i> purposes, but in the year the supplies are received			
for <i>financial reporting</i> purposes.		N/A	
Current Year			
Prior Year			2,419.29
Total expenditures as reported on the statement of revenues,			
expenditures, and changes in fund balances - governmental funds	[B-2]	<u>14,254,895.85</u>	<u>261,736.91</u>

SPECIAL REVENUE FUND

BYRAM TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	Total	Title I Part - A Improving Basic Programs	Title I Part - A Carryover Imp. Basic Programs	Title II Part - A Teacher/Principal Training & Recruiting	Totals 2012
REVENUES					
Local Sources	10,000.00				10,000.00
Federal Sources	222,947.86	11,161.00	257.76	14,951.00	249,317.62
Total Revenues	232,947.86	11,161.00	257.76	14,951.00	259,317.62
EXPENDITURES:					
Instruction:					
Salaries of Teachers	-	10,420.00			10,420.00
Purchased Professional and Technical Services	-		257.76	7,900.00	8,157.76
Other Purchased Services (400-500 series)	211,863.00				211,863.00
General Supplies	7,921.50				7,921.50
Other Objects	3,163.36				3,163.36
Total Instruction	222,947.86	10,420.00	257.76	7,900.00	241,525.62
Support Services:					
Purchased Professional & Technical Services	-	741.00		7,051.00	7,792.00
Total Support Services	-	741.00	-	7,051.00	7,792.00
Facilities Acquisition and Const. Serv.:					
Instructional Equipment	10,000.00				10,000.00
Total Facilities Acquisition and Const. Serv.	10,000.00	-	-	-	10,000.00
Total Expenditures	232,947.86	11,161.00	257.76	14,951.00	259,317.62
Excess (Deficiency) of Revenues Over (Under)	-	-	-	-	-
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

BYRAM TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	I.D.E.A. Part B		ARRA	Verizon	Total
	2011-2012	2011-2012	2009-2010	Technology	Carried
	Basic	Preschool	Basic	Grant	Forward
REVENUES					
Local Sources	201,092.00	10,771.00	11,084.86	10,000.00	10,000.00
Federal Sources					222,947.86
Total Revenues	201,092.00	10,771.00	11,084.86	10,000.00	232,947.86
EXPENDITURES:					
Instruction:					
Salaries of Teachers					-
Purchased Professional and Technical Services					-
Other Purchased Services (400-500 series)	201,092.00	10,771.00	7,921.50		211,863.00
General Supplies			3,163.36		7,921.50
Other Objects					3,163.36
Total Instruction	201,092.00	10,771.00	11,084.86	-	222,947.86
Support services:					
Purchased Professional & Technical Services					-
Total Support Services	-	-	-	-	-
Facilities Acquisition and Const. Serv.:					
Instructional Equipment				10,000.00	10,000.00
Total Facilities Acquisition and Const. Serv.	-	-	-	10,000.00	10,000.00
Total Expenditures	201,092.00	10,771.00	11,084.86	10,000.00	232,947.86
Excess (Deficiency) of Revenues Over (Under)	-	-	-	-	-
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

PROPRIETARY FUNDS

BYRAM TOWNSHIP SCHOOL DISTRICT
Combining Statement of Net Assets
Enterprise Funds
June 30, 2012

	<u>Food Service Program</u>	<u>Totals</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	40,670.22	40,670.22
Accounts Receivable:		
State	129.90	129.90
Federal	2,293.33	2,293.33
Other	17,055.00	17,055.00
Interfunds Receivable	5,671.03	5,671.03
Inventories	6,623.78	6,623.78
Total Current Assets	<u>72,443.26</u>	<u>72,443.26</u>
Noncurrent Assets:		
Capital Assets:		
Equipment	269,713.00	269,713.00
Less Accumulated Depreciation	<u>(197,678.00)</u>	<u>(197,678.00)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>72,035.00</u>	<u>72,035.00</u>
Total Assets	<u>144,478.26</u>	<u>144,478.26</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	14,129.11	14,129.11
Deferred Revenue	<u>3,429.37</u>	<u>3,429.37</u>
Total Current Liabilities	<u>17,558.48</u>	<u>17,558.48</u>
NET ASSETS		
Invested in Capital Assets Net of Related Debt	72,035.00	72,035.00
Unrestricted	<u>54,884.78</u>	<u>54,884.78</u>
Total Net Assets	<u>126,919.78</u>	<u>126,919.78</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Funds
For the Fiscal Year Ended June 30, 2012

	Food Service Program	Totals
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	121,476.51	121,476.51
Daily Sales - Non-Reimbursable Programs	49,696.26	49,696.26
Special Functions/Other	1,562.35	1,562.35
Total Operating Revenues	<u>172,735.12</u>	<u>172,735.12</u>
Operating Expenses:		
Cost of Sales	90,927.87	90,927.87
Salaries	99,872.00	99,872.00
Supplies and Materials	11,795.95	11,795.95
Management Fee	19,987.00	19,987.00
Cleaning Repair & Maintenance	6,155.13	6,155.13
Miscellaneous Expense	29,372.69	29,372.69
Depreciation	11,402.00	11,402.00
Total Operating Expenses	<u>269,512.64</u>	<u>269,512.64</u>
Operating Income (Loss)	<u>(96,777.52)</u>	<u>(96,777.52)</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	2,596.73	2,596.73
Federal Sources:		
National School Lunch Program	43,330.04	43,330.04
Special Milk Program	1,310.37	1,310.37
Food Distribution Program	25,350.74	25,350.74
Food Management Company Subsidy	17,055.00	17,055.00
Interest and Investment Revenue	19.39	19.39
Total Nonoperating Revenues (Expenses)	<u>89,662.27</u>	<u>89,662.27</u>
Income (Loss) Before Contributions & Transfers	<u>(7,115.25)</u>	<u>(7,115.25)</u>
Transfers In (Out)		-
Change in Net Assets	<u>(7,115.25)</u>	<u>(7,115.25)</u>
Total Net Assets—Beginning	<u>134,035.03</u>	<u>134,035.03</u>
Total Net Assets—Ending	<u><u>126,919.78</u></u>	<u><u>126,919.78</u></u>

BYRAM TOWNSHIP SCHOOL DISTRICT
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2012

	<u>Food Service Program</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	172,735.12	172,735.12
Receipts/(Payments) for Interfunds	(5,706.73)	(5,706.73)
Payments to Employees	(99,872.00)	(99,872.00)
Payments to Suppliers	(115,734.18)	(115,734.18)
Net Cash Provided by (Used for) Operating Activities	<u>(48,577.79)</u>	<u>(48,577.79)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	3,286.91	3,286.91
Federal Sources	51,138.12	51,138.12
Management Company Subsidy	9,054.99	9,054.99
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>63,480.02</u>	<u>63,480.02</u>
CASH FLOWS FROM INVESTING ACTIVITIES		-
Interest and Dividends	19.39	19.39
Net Cash Provided by (Used for) Investing Activities	<u>19.39</u>	<u>19.39</u>
Net Increase (Decrease) in Cash and Cash Equivalents	14,921.62	14,921.62
Balances—Beginning of Year	25,748.60	25,748.60
Balances—End of Year	<u>40,670.22</u>	<u>40,670.22</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided		
(Used) by Operating Activities:		
Operating Income (Loss)	(96,777.52)	(96,777.52)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided		
(Used for) Operating Activities		
Depreciation and Net Amortization	11,402.00	11,402.00
Food Distribution Program Donated Commodities	25,350.74	25,350.74
(Increase) Decrease in Interfund Receivables	(5,671.03)	(5,671.03)
(Increase) Decrease in Inventories	4,798.41	4,798.41
Increase (Decrease) in Interfund Payables	(35.70)	(35.70)
Increase (Decrease) in Accounts Payable	14,129.11	14,129.11
Increase (Decrease) in Deferred Revenue	(1,773.80)	(1,773.80)
Total Adjustments	<u>48,199.73</u>	<u>48,199.73</u>
Net Cash Provided by (Used for) Operating Activities	<u>(48,577.79)</u>	<u>(48,577.79)</u>

FIDUCIARY FUND

BYRAM TOWNSHIP SCHOOL DISTRICT
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Unemployment Compensation Trust Fund	Agency Fund
ASSETS		
Cash and Cash Equivalents	89,036.58	199,341.97
Total Assets	<u>89,036.58</u>	<u>199,341.97</u>
LIABILITIES		
Payable to Student Groups		72,167.45
Payroll Deductions and Withholdings		127,174.52
Total Liabilities	<u>-</u>	<u>199,341.97</u>
NET ASSETS		
Held in Trust for Unemployment Claims and Other Purposes	<u>89,036.58</u>	

Exhibit H-2

BYRAM TOWNSHIP SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2012

	Unemployment Compensation Trust Fund
ADDITIONS	
Contributions:	
Plan Member	14,283.20
Board - Budget	
Total Contributions	<u>14,283.20</u>
Investment Earnings:	
Interest	<u>37.88</u>
Net Investment Earnings	<u>37.88</u>
Total Additions	<u>14,321.08</u>
DEDUCTIONS	
Unemployment Claims	65,586.29
Other	<u>370.50</u>
Total Deductions	<u>65,956.79</u>
Change in Net Assets	(51,635.71)
Net Assets—Beginning of the Year	<u>140,672.29</u>
Net Assets—End of the Year	<u><u>89,036.58</u></u>

BYRAM TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Accounts Payable June 30, 2012</u>	<u>Balance June 30, 2012</u>
ELEMENTARY SCHOOLS:					
Lakes School	14,566.92	25,441.46	20,425.59		19,582.79
Intermediate School	32,874.25	108,262.05	88,551.64		52,584.66
	<u>47,441.17</u>	<u>133,703.51</u>	<u>108,977.23</u>	<u>-</u>	<u>72,167.45</u>

BYRAM TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2012</u>
Interfund Payable	169.46		169.46	-
Net Payroll	688.67	5,574,697.57	5,572,842.69	2,543.55
Payroll Deductions and Withholdings	99,422.38	9,283,166.25	9,257,957.66	124,630.97
	<u>100,280.51</u>	<u>14,857,863.82</u>	<u>14,830,969.81</u>	<u>127,174.52</u>

LONG-TERM DEBT

BYRAM TOWNSHIP SCHOOL DISTRICT
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2012

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012
Refunding School Bonds	9/15/2006	7,185,000.00	3/15/2013	520,000.00	5.000%	6,220,000.00		495,000.00	5,725,000.00
			3/15/2014	550,000.00	5.000%				
			3/15/2015	580,000.00	4.500%				
			3/15/2016	610,000.00	4.500%				
			3/15/2017	635,000.00	4.000%				
			3/15/2018	665,000.00	4.000%				
			3/15/2019	690,000.00	4.000%				
			3/15/2020	720,000.00	4.000%				
			3/15/2021	755,000.00	4.000%				
						6,220,000.00	-	495,000.00	5,725,000.00

BYRAM TOWNSHIP SCHOOL DISTRICT
General Long Term Debt Account Group
Statement of Loans Payable
June 30, 2012

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012
Safe School Program	8/18/1993	238,401.25	7/15/2012-2013	12,547.43	1.500%	37,642.29		12,547.43	25,094.86
Small Projects Program	8/18/1993	565,203.75	7/15/2012 7/15/2013	40,084.89 41,873.14	5.288% 5.288%	120,339.89		38,381.86	81,958.03
						157,982.18	-	50,929.29	107,052.89

BYRAM TOWNSHIP SCHOOL DISTRICT
General Long Term Debt Account Group
Statement of Obligations under Capital Leases
June 30, 2012

SERIES	Interest Rate Payable	Amount of Original Issues	Amount Outstanding on July 1, 2011	Issued in Current Year	Retired in Current Year	Amount Outstanding on June 30, 2012
2007 Copier		10,827.74	829.42		829.42	-
2008 Copier		45,667.21	18,338.88		18,338.88	-
2008 Purchase of Maintenance Vehicles		21,840.25	5,976.08		4,746.42	1,229.66
2009 Copier	5.80%	29,656.00	19,785.43		19,785.43	-
2011 Copier / New / Refunding		73,967.76		73,967.56	10,398.28	63,569.28
TOTAL			44,929.81	73,967.56	54,098.43	64,798.94

BYRAM TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	806,101.00		806,101.00	806,101.00	-
State Sources:					
Debt Service Aid Type II	11,098.00		11,098.00	11,098.00	-
Total - State Sources	11,098.00	-	11,098.00	11,098.00	-
Total Revenues	<u>817,199.00</u>	<u>-</u>	<u>817,199.00</u>	<u>817,199.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	271,269.00	0.29	271,269.29	271,269.29	-
Redemption of Principal	545,930.00	(0.29)	545,929.71	545,929.29	0.42
Total Regular Debt Service	817,199.00	-	817,199.00	817,198.58	0.42
Total expenditures	<u>817,199.00</u>	<u>-</u>	<u>817,199.00</u>	<u>817,198.58</u>	<u>0.42</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	0.42	0.42
Fund Balance, July 1	0.54		0.54	0.54	-
Fund Balance, June 30	<u>0.54</u>	<u>-</u>	<u>0.54</u>	<u>0.96</u>	<u>0.42</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.42</u>	<u>0.42</u>

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

Contents

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Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 to J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

STATISTICAL SECTION (UNAUDITED)

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J-2	Changes in Net Assets
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BYRAM TOWNSHIP SCHOOL DISTRICT
Net Assets by Component
Last Ten Fiscal Years*
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities								
Invested in Capital Assets, Net of Related Debt	9,008,896.00	8,959,972.00	9,075,287.00	8,778,728.07	8,828,382.77	8,775,097.27	8,828,878.01	8,886,904.33
Restricted	639,242.00	562,809.00	679,198.00	498,093.00	151,631.42	203,987.19	962,857.49	1,614,062.30
Unrestricted	(776,910.00)	(425,746.00)	(451,581.00)	(612,871.00)	(1,386,337.13)	(617,726.82)	(481,838.48)	(396,735.36)
Total Governmental Activities Net Assets	8,871,228.00	9,097,035.00	9,302,884.00	8,663,950.07	7,581,677.06	8,361,357.64	9,309,897.02	10,104,231.27
Business-type Activities								
Invested in Capital Assets, Net of Related Debt	152,361.00	140,969.00	129,983.00	109,558.00	98,599.00	87,634.00	83,437.00	72,035.00
Unrestricted	53,752.00	51,359.00	13,392.00	29,352.00	35,337.70	44,929.05	50,598.03	54,884.78
Total Business-type Activities Net Assets	206,113.00	192,328.00	143,375.00	138,910.00	133,936.70	132,563.05	134,035.03	126,919.78
District-wide								
Invested in Capital Assets, Net of Related Debt	9,161,257.00	9,100,941.00	9,205,250.00	8,888,286.07	8,926,981.77	8,862,731.27	8,912,315.01	8,958,939.33
Restricted	639,242.00	562,809.00	679,198.00	498,093.00	151,631.42	203,987.19	962,857.49	1,614,062.30
Unrestricted	(723,158.00)	(374,387.00)	(438,189.00)	(583,519.00)	(1,362,999.43)	(572,797.77)	(431,240.45)	(341,850.58)
Total District Net Assets	9,077,341.00	9,289,363.00	9,446,259.00	8,802,860.07	7,715,613.76	8,493,920.69	9,443,932.05	10,231,151.05

Source: CAFR Schedule A-1

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BYRAM TOWNSHIP SCHOOL DISTRICT

Changes in Net Assets
Last Ten Fiscal Years*
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012
Expenses								
Governmental Activities:								
Instruction:								
Regular	5,456,168.00	5,504,361.00	6,039,544.00	6,361,745.00	5,907,432.50	5,735,545.19	5,289,619.58	5,484,838.71
Special Education	932,563.00	1,152,951.00	1,268,666.00	1,602,458.00	1,444,608.18	1,561,569.76	1,450,588.44	1,621,760.32
Other Special Instruction	285,687.00	319,081.00	401,716.00	332,375.00	473,996.12	403,714.15	478,940.58	317,182.02
School Sponsored Instruction	94,450.00	71,667.00	68,472.00	62,466.00	59,476.82	72,804.93	81,545.35	78,876.16
Support Services:								
Tuition	540,271.00	320,803.00	256,556.00	309,134.00	232,576.10	125,565.95	180,124.36	289,676.33
Student & Instruction Related Services	1,461,053.00	1,615,796.00	1,742,606.00	1,848,713.00	1,715,329.65	1,695,035.70	1,831,276.23	1,852,908.06
General Administrative Services	370,235.00	378,928.00	408,262.00	442,038.00	488,884.84	512,842.10	478,649.86	466,886.76
School Administrative Services	508,433.00	507,751.00	545,843.00	617,984.00	589,568.46	554,273.50	595,251.27	586,539.77
Central Services & Admin. Info. Technology	446,634.00	416,564.00	456,096.00	531,782.00	437,013.11	424,457.73	360,912.30	436,473.70
Plant Operations and Maintenance	1,748,242.00	1,776,611.00	1,893,712.00	2,023,167.00	1,481,572.83	1,295,228.39	1,245,775.02	1,285,268.47
Pupil Transportation	745,489.00	714,635.00	733,089.00	709,081.00	796,461.34	720,613.76	678,171.08	646,188.78
Unallocated Benefits					971,756.94	939,259.65	846,280.06	1,071,639.51
Charter Schools	17,393.00	8,077.00	13,260.00	13,337.00	23,013.00	31,489.00	37,999.00	50,128.00
Capital Outlay	215,576.00	3,005.00				33,414.32	45,150.47	113,027.56
Interest on Long-term Debt	423,948.00	418,907.00	391,338.00	346,655.00	325,822.58	305,202.16	286,067.14	264,477.78
Unallocated Depreciation					599,609.00	575,830.00	554,978.00	586,991.54
Total Governmental Activities Expenses	13,246,142.00	13,209,137.00	14,219,160.00	15,200,935.00	15,547,101.47	14,986,946.29	14,441,328.74	15,152,863.47
Business-type Activities:								
Food Service	259,558.00	253,467.00	349,193.00	312,913.00	316,166.80	282,782.25	279,814.81	289,512.64
Total Business-type Activities Expenses	259,558.00	253,467.00	349,193.00	312,913.00	316,166.80	282,782.25	279,814.81	289,512.64
Total District Expenses	13,505,700.00	13,462,604.00	14,568,353.00	15,513,848.00	15,863,268.27	15,269,728.54	14,721,143.55	15,442,376.11
Program Revenues								
Governmental Activities:								
Charges for Services:								
Regular	6,413.00	2,668.00						
Special Education	24,889.00	78,857.00	30,230.00	9,759.00				13,105.00
Other Instruction								272,834.91
Operating Grants and Contributions	1,776,294.00	1,859,112.00	2,296,283.00	2,462,427.00	278,194.00	385,457.16	362,346.88	285,939.91
Total Governmental Activities Program Revenues	1,807,596.00	1,940,637.00	2,326,513.00	2,472,186.00	278,194.00	385,457.16	362,346.88	285,939.91

BYRAM TOWNSHIP SCHOOL DISTRICT

Changes in Net Assets
Last Ten Fiscal Years*
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012
Business-type Activities:								
Charges for Services:								
Food Service	194,232.00	195,966.00	250,288.00	261,237.00	243,032.78	216,325.37	195,835.64	172,735.12
Operating Grants and Contributions	48,854.00	43,603.00	49,840.00	55,859.00	68,090.58	64,995.82	85,408.80	89,642.88
Total Business-type Activities Program Revenues	243,086.00	239,569.00	300,128.00	317,096.00	311,123.36	281,321.19	281,244.44	282,378.00
Total District Program Revenues	2,050,682.00	2,180,206.00	2,626,641.00	2,789,282.00	589,317.36	666,778.35	643,591.32	548,317.91
Net (Expense)/Revenue								
Governmental Activities	(11,438,546.00)	(11,268,500.00)	(11,892,647.00)	(12,728,749.00)	(15,268,907.47)	(14,601,489.13)	(14,078,981.86)	(14,866,923.56)
Business-type Activities	(16,472.00)	(13,898.00)	(49,065.00)	4,163.00	(5,043.44)	(1,461.06)	1,429.63	(7,134.64)
Total District-wide Net Expense	(11,455,018.00)	(11,282,398.00)	(11,941,712.00)	(12,724,586.00)	(15,273,950.91)	(14,602,950.19)	(14,077,552.23)	(14,874,058.20)
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Property Taxes Levied for General Purposes	7,719,940.00	7,782,023.00	8,291,386.00	8,713,931.00	8,923,728.00	9,726,141.00	9,940,000.00	10,138,800.00
Taxes Levied for Debt Service	702,177.00	816,910.00	832,566.00	793,018.00	746,928.00	776,262.00	810,713.00	806,101.00
Unrestricted Federal and State Aid	2,562,969.00	2,563,861.00	2,548,671.00	2,622,184.00	4,447,661.40	4,743,785.63	4,169,555.26	4,576,482.91
Investment Earnings	45,517.00	51,871.00	61,248.00	43,914.00	11,228.85	4,350.00	2,857.16	2,135.86
Miscellaneous Income	59,747.00	42,711.00	36,089.00	50,543.00	57,089.23	130,631.08	104,395.82	137,738.04
Total Governmental Activities	11,090,350.00	11,257,376.00	11,769,960.00	12,223,590.00	14,186,635.48	15,381,169.71	15,027,521.24	15,661,257.81
Business-type Activities:								
Investment Earnings	112.00	113.00	112.00	85.00	69.68	87.41	42.35	19.39
Total Business-type Activities	112.00	113.00	112.00	85.00	69.68	87.41	42.35	19.39
Total District-wide	11,090,462.00	11,257,489.00	11,770,072.00	12,223,675.00	14,186,705.16	15,381,257.12	15,027,563.59	15,661,277.20
Change in Net Assets								
Governmental Activities	(348,196.00)	(11,124.00)	(122,687.00)	(505,159.00)	(1,082,271.99)	779,680.58	948,539.38	794,334.25
Business-type Activities	(16,360.00)	(13,785.00)	(48,953.00)	4,268.00	(4,973.76)	(1,373.65)	1,471.98	(7,115.25)
Total District	(364,556.00)	(24,909.00)	(171,640.00)	(500,891.00)	(1,087,245.75)	778,306.93	950,011.36	787,219.00

Source: CAFR Schedule A-2

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BYRAM TOWNSHIP SCHOOL DISTRICT
Fund Balances Governmental Funds
Last Ten Fiscal Years*
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012
General Fund								
Reserved	525,880.00	497,198.00	584,673.00	354,563.00	122,473.73	203,921.12	1,013,285.95	1,749,311.34
Unreserved	215,290.00	261,621.00	143,489.00	41,009.00	(641,272.88)	88,831.90	70,381.74	21,689.87
Total General Fund	741,170.00	758,819.00	728,162.00	395,572.00	(518,799.15)	292,753.02	1,083,667.69	1,771,001.21
All Other Governmental Funds								
Reserved	16,390.00							
Unreserved, Reported in:								
Capital Projects Fund	87,461.00	65,358.00	65,358.00					
Debt Service	9,511.00	253.00	29,167.00	88,146.00	29,157.69	66.07	0.54	0.96
Total All other Governmental Funds	113,362.00	65,611.00	94,525.00	88,146.00	29,157.69	66.07	0.54	0.96

Source: CAFR Schedule B-1

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BYRAM TOWNSHIP SCHOOL DISTRICT

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years*
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012
Revenues								
Tax Levy	8,422,117.00	8,598,933.00	9,123,952.00	9,506,949.00	9,670,656.00	10,502,403.00	10,750,713.00	10,944,901.00
Tuition	31,302.00	81,525.00	30,230.00	9,759.00	28,712.52	22,457.82	23,302.10	84,111.00
Interest on Capital Reserve	180.00	973.00	2,049.00	1,528.00	786.51			
Miscellaneous	102,670.00	94,109.00	98,288.00	92,929.00	37,819.05	112,523.26	83,950.88	78,867.90
State Sources	4,067,729.00	4,190,532.00	4,643,999.00	4,825,863.00	4,461,133.40	4,276,626.63	4,180,769.26	4,483,480.91
Federal Sources	240,974.00	231,941.00	200,955.00	258,748.00	264,722.00	852,616.16	351,132.88	355,836.91
Total Revenues	12,884,972.00	13,198,013.00	14,096,473.00	14,696,776.00	14,464,829.48	15,766,626.87	15,389,868.12	15,947,197.72
Expenditures								
Institution:								
Regular	4,201,394.00	4,190,404.00	4,332,598.00	4,573,198.00	4,899,449.39	4,604,241.39	4,244,814.06	4,392,070.29
Special	725,939.00	884,999.00	912,434.00	1,139,869.00	1,152,651.43	1,229,128.88	1,136,995.41	1,273,022.16
Other	212,891.00	237,755.00	296,909.00	231,441.00	381,613.48	317,762.89	375,387.93	248,730.52
School-Sponsored/Other Instructional	78,596.00	55,509.00	50,476.00	45,640.00	49,096.25	58,534.72	64,765.57	62,379.95
Support Services:								
Instruction - Tuition	540,271.00	320,803.00	256,556.00	309,134.00	232,576.10	125,565.95	180,124.36	289,676.33
Student & Instruction Related Services	1,163,330.00	1,276,947.00	1,813,389.00	1,379,808.00	1,424,275.54	1,384,286.57	1,479,156.60	1,480,233.30
General Administration	312,640.00	319,811.00	335,396.00	362,220.00	405,907.72	421,500.54	390,037.44	382,264.58
School Administration	378,780.00	389,256.00	392,221.00	444,869.00	476,893.30	440,427.73	470,806.29	463,331.37
Central Services	188,744.00	180,088.00	169,563.00	214,567.00	200,442.74	206,250.13	213,123.42	222,802.88
Admin. Info. Technology	178,176.00	153,630.00	733,089.00	187,247.00	190,053.48	167,649.97	97,139.39	162,622.66
Operations and Maintenance	1,088,582.00	1,122,610.00	1,168,811.00	1,268,134.00	1,371,075.50	1,182,700.15	1,142,391.64	1,211,763.66
Student Transportation	745,489.00	714,635.00	199,029.00	709,081.00	793,476.87	716,488.84	673,707.61	643,094.94
Employee Benefits	2,277,228.00	2,402,324.00	3,056,675.00	3,337,514.00	3,006,151.09	3,246,759.62	3,158,994.26	3,383,926.96
Capital Outlay	344,160.00	136,494.00	50,325.00	5,789.00	21,840.25	60,353.32	111,583.47	240,585.26
Transfer to Charter School	17,393.00	8,077.00	13,260.00	13,337.00	23,013.00	31,489.00	37,999.00	50,128.00
Debt Service:								
Principal	378,411.00	412,522.00	428,772.00	460,071.00	488,446.04	507,842.91	529,347.23	545,929.29
Interest and Other Charges	429,328.00	422,251.00	388,713.00	353,026.00	333,007.42	310,839.71	292,645.30	271,269.29
Total Governmental Fund Expenditures	13,261,354.00	13,228,115.00	14,098,216.00	15,034,745.00	15,480,029.60	15,013,822.32	14,599,018.98	15,333,831.34
Excess (Deficiency) of Revenues Over (Under) Expenditures	(376,382.00)	(30,102.00)	(1,743.00)	(338,969.00)	(995,200.12)	752,804.55	790,849.14	613,366.38
Other Financing Sources (Uses)								
Operating Transfers In			98.00	65,456.00	65.17			73,967.56
Operating Transfers Out			(98.00)	(65,456.00)	(65.17)			73,967.56
Proceeds from Refunding Bonds			7,185,000.00					
Payment to Escrow Agent			(7,185,000.00)					
Capital Leases (non-budgeted)					21,840.25	29,656.00		
Total Other Financing Sources (Uses)					21,840.25	29,656.00		
Net Changes in Fund Balance	(376,382.00)	(30,102.00)	(1,743.00)	(338,969.00)	(973,359.87)	782,480.55	790,849.14	687,333.94
Debt Service as a percentage of noncapital expenditures	6.25%	6.38%	5.82%	5.41%	5.31%	5.47%	5.67%	5.41%

Source: CAFR Schedule B-2

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005. Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

BYRAM TOWNSHIP SCHOOL DISTRICT
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Rental Use of Facilities	Interest Income	Tuition	Activity Fees	Miscellaneous	Total
2003	150.00	16,766.00	420.00		30,951.00	48,287.00
2004	127.00	21,458.00			55,724.00	77,309.00
2005	180.00	32,233.00	31,302.00		69,807.00	133,522.00
2006		51,748.00	81,525.00		42,711.00	175,984.00
2007		61,150.00	30,230.00		36,089.00	127,469.00
2008		43,816.00	9,759.00		50,543.00	104,118.00
2009	12,588.50	11,228.85	29,712.52		14,723.04	68,252.91
2010	13,556.00	4,350.00	22,457.82		94,617.26	134,981.08
2011	30,819.42	2,857.16	23,302.10	11,431.00	15,541.20	83,950.88
2012	32,982.00	2,135.86	84,111.00	13,105.00	20,645.04	152,978.90

Source: District records.

BYRAM TOWNSHIP SCHOOL DISTRICT
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years*
Unaudited

Year Ended December 31,	Vacant Land	Residential	Farm and Orchard	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities a	Net Assessed Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate b
2004	12,746,700	451,844,500	5,483,130	40,960,700	1,877,900	643,600	513,556,530	0	748,257	514,304,787	795,189,073	1.570
2005	11,967,300	457,882,600	6,113,730	40,165,600	1,877,900	643,600	518,450,730	0	903,311	519,354,041	929,047,833	1.639
2006	10,995,900	461,816,300	6,980,230	42,757,200	1,877,900	643,600	525,051,030	0	748,257	525,799,287	1,040,524,010	1.686
2007	10,889,000	464,460,700	7,614,330	43,859,100	1,594,000	643,600	529,060,730	0	687,019	529,747,749	1,155,200,736	1.759
2008	12,114,900	464,612,100	7,746,430	43,587,500	1,139,000	643,600	529,843,430	0	681,320	530,524,750	1,208,520,486	1.811
2009(1)	22,317,900	873,496,200	19,960,400	82,633,900	2,395,200	1,288,700	1,112,091,300	0	1,602,366	1,113,693,666	1,187,662,189	0.905
2010	21,245,900	971,973,300	17,849,900	91,769,700	2,395,200	1,288,700	1,106,522,700	0	1,619,451	1,108,142,151	1,158,651,730	0.959
2011	20,595,500	969,486,200	17,459,400	91,981,000	2,134,900	1,288,700	1,102,945,700	0	1,360,870	1,104,306,570	1,133,421,602	0.983

(1) Revaluation Year

Source: Sussex County, Abstract of Rates and Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation.

Reassessment occurs when County Board of Taxation requests Treasury to order a reassessment.

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

b Tax rates are per \$100 of assessed value.

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BYRAM TOWNSHIP SCHOOL DISTRICT

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
Per \$100 of Assessed Valuation**

Assessment Year	Basic Rate^a	General Obligation Debt Service^b	<u>Overlapping Rates</u>				Total Direct and overlapping Tax Rate
			Local School District	Regional School District	Municipality	County	
2001	1.050	0.030	1.080	0.780	0.840	0.680	3.380
2002	1.100	0.080	1.180	0.800	0.870	0.740	3.590
2003	1.280	0.170	1.450	0.820	0.900	0.750	3.920
2004	1.420	0.150	1.570	0.830	0.960	0.780	4.140
2005	1.490	0.150	1.639	0.850	1.020	0.830	4.339
2006	1.530	0.160	1.686	0.900	1.100	0.870	4.556
2007	1.610	0.150	1.759	0.930	1.160	0.890	4.739
2008	1.662	0.149	1.811	0.950	1.263	0.875	4.899
2009(1)	0.838	0.067	0.905	0.466	0.640	0.407	2.418
2010	0.887	0.072	0.959	0.486	0.678	0.424	2.547
2011	0.910	0.073	0.983	0.511	0.696	0.446	2.636

(1) Revaluation Year

Source: District Records and Municipal Tax Collector.

BYRAM TOWNSHIP SCHOOL DISTRICT

Schedule of Principal Taxpayers

Current and Nine Years Ago

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation
Gordon Byram Associates, LLC	17,587,000	1	1.59%	13,352,200	1	2.69%
Byram Land Development, LLC	5,040,000	2	0.46%	800,000	9	0.16%
Byram Land Development, LLC				750,000	10	0.15%
Byram Self Storage, LLC	4,250,000	3	0.38%			
Tozzo, Domenick C/O Lynnes Nissan	3,250,500	4	0.29%	1,907,500	2	0.38%
Panther Lake Camping Resort, Inc.	2,395,500	5	0.22%	1,227,100	5	0.25%
206 Acorn Development Corp.	2,045,200	6	0.19%	1,267,500	4	0.28%
Taxpayer 1	1,925,900	7	0.17%	801,300	8	0.16%
SC Realty, LLC	1,549,500	8	0.14%			
BVJ & P, Inc.	1,502,500	9	0.14%			
Taxpayer 2	1,500,000	10	0.14%	859,900	6	0.17%
NJ Bell Telephone Company				1,279,075	3	0.26%
Byram Associates				835,500	7	0.17%
	41,046,100		3.72%	23,080,075		4.67%

Source: Municipal Tax Assessor's Office.

BYRAM TOWNSHIP SCHOOL DISTRICT**School Tax Levies and Collections
Last Ten Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	6,447,661	6,447,661	100.00%	
2004	8,050,053	8,050,053	100.00%	
2005	8,422,117	8,422,117	100.00%	
2006	8,598,933	8,598,933	100.00%	
2007	9,123,952	9,123,952	100.00%	
2008	9,506,949	9,506,949	100.00%	
2009	9,670,656	9,670,656	100.00%	
2010	10,502,403	10,502,403	100.00%	
2011	10,750,713	10,750,713	100.00%	
2012	10,944,901	10,944,901	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

- a** School Taxes are collected by the Municipal Tax Collector. Under New Jersey Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

BYRAM TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years*

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Loans Payable	Capital Leases	Early Retirement Incentive Plan	Capital Leases	Total District	
2005	8,690,000	432,982	5,593	248,672	-	9,377,247	1,096
2006	8,320,000	390,459	2,765	240,643	-	8,953,867	1,048
2007	8,015,000	346,687	9,568	231,951	-	8,603,206	1,009
2008	7,600,000	301,616	-	222,542	-	8,124,158	955
2009	7,160,000	255,172	62,971	212,357	-	7,690,500	906
2010	6,700,000	207,329	66,508	201,332	-	7,175,170	846
2011	6,220,000	157,982	44,930	189,397	-	6,612,309	792
2012	5,725,000	107,053	64,799	176,477	-	6,073,329	731

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

^a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BYRAM TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	8,690,000	-	8,690,000	1.69%	1,016
2006	8,320,000	-	8,320,000	1.60%	974
2007	8,015,000	-	8,015,000	1.52%	940
2008	7,600,000	-	7,600,000	1.43%	893
2009	7,160,000	-	7,160,000	1.35%	844
2010	6,700,000	-	6,700,000	0.60%	790
2011	6,220,000	-	6,220,000	0.56%	745
2012	5,725,000	-	5,725,000	0.52%	689

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit J-14.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BYRAM TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
BYRAM TOWNSHIP	\$ 2,813,686	100.000%	\$ 2,813,686
Other debt			
Sussex County General Obligation Debt	77,690,095	5.70204%	4,429,917
Subtotal, overlapping debt			<u>7,243,603</u>
Byram Township School District Direct Debt			<u>5,832,053</u>
Total direct and overlapping debt			<u><u>\$ 13,075,656</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Sussex County Board of Taxation.
Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Byram Township. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

(1) Debt Information as of December 31, 2011.

BYRAM TOWNSHIP SCHOOL DISTRICT
Legal Debt Margin Information,
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2012

	Fiscal Year										Average equalized valuation of taxable property	[A/3]	Equalized valuation basis			[B]	[C]	[B-C]
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012			2011	2010	2009			
Debt limit	\$ 18,975,138	\$ 21,053,350	\$ 23,923,553	\$ 27,303,207	\$ 30,880,303	\$ 33,744,182	\$ 35,240,813	\$ 35,411,337	\$ 34,709,624	\$ 34,040,367			\$ 1,108,154,024	\$ 1,134,429,670	\$ 1,161,453,055			
Total net debt applicable to limit	9,889,654	9,514,366	9,122,982	8,710,459	8,361,687	309,216	7,415,172	6,907,329	6,377,982	5,832,053								
Legal debt margin	\$ 9,085,484	\$ 11,538,984	\$ 14,800,571	\$ 18,592,748	\$ 22,518,616	\$ 33,434,966	\$ 27,825,641	\$ 28,504,008	\$ 28,331,642	\$ 28,208,314			\$ 1,134,678,916					
Total net debt applicable to the limit as a percentage of debt limit	52.12%	45.19%	38.13%	31.90%	27.08%	0.92%	21.04%	19.51%	18.38%	17.13%								

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other district types.

Exhibit J-14**BYRAM TOWNSHIP SCHOOL DISTRICT****Demographic and Economic Statistics
Last Ten Years**

Year Ended June 30	School District Population (1)	Personal Income in Thousands \$ (2)	Per Capita Income (3)	Unemployment Rate (4)
2003	8,454	327,398,058	38,727	3.00
2004	8,535	335,690,085	39,331	3.20
2005	8,552	348,374,272	40,736	2.40
2006	8,546	362,427,314	42,409	3.90
2007	8,529	387,523,644	45,436	4.50
2008	8,508	410,094,108	48,201	4.30
2009	8,486	420,693,450	49,575	5.50
2010	8,478	402,526,962	47,479	9.20
2011	8,346	410,681,622	49,207	9.80
2012	8,308	Not Available	Not Available	9.50

Source: (1) U.S. Bureau of the Census, Population Division,
(Estimates July 1, 2002-2011)
(2) Personal income of the District is Based on the County Information.
(3) U.S. Department of Commerce, County Information 2001-2010.
(4) N.J. Department of Labor.

BYRAM TOWNSHIP SCHOOL DISTRICT

Schedule of Principal Employers

Current and Nine Years Ago

2011

2002

INFORMATION IS NOT AVAILABLE

BYRAM TOWNSHIP SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years*

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction								
Regular	68.0	71.5	70.5	70.5	70.5	64.0	56.0	59.0
Special education	13.0	14.0	15.0	15.0	23.0	25.0	24.0	27.0
Other instruction	5.0	5.0	5.0	5.0	4.0	4.0	4.0	3.0
Support Services:								
Student & instruction related services	5.0	5.0	6.9	6.9	8.0	6.0	8.0	6.0
General administration	1.0	3.0	2.0	4.0	4.0	4.0	4.0	2.0
School administrative services	3.0	3.0	3.0	3.5	7.0	6.0	5.0	5.0
Central services	3.0	2.0	3.1	2.0	2.0	2.0	2.0	3.0
Administrative Information Technology	1.0			1.0	1.0	1.0	1.0	1.0
Plant operations and maintenance	14.0	14.0	14.0	14.0	12.0	12.0	12.0	10.0
Total	113.0	117.5	119.5	121.9	131.5	124.0	116.0	116.0

Source: District Budget Records

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BYRAM TOWNSHIP SCHOOL DISTRICT
Operating Statistics,
Last Ten Fiscal Years*

<u>Fiscal Year</u>	<u>Pupil/Teacher Ratio</u>									
	<u>a</u>					<u>b</u>		<u>c</u>		<u>% Change</u>
	<u>Enrollment</u>	<u>Expenditures</u>	<u>Cost Per Pupil</u>	<u>% Change</u>	<u>Teaching Staff</u>	<u>Elementary</u>	<u>Middle</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>Student Attendance Percentage</u>
2004-2005	1,228	12,109,455	9,861	4.15%	85	17:1	15:1	1,209	1,156	4.13%
2005-2006	1,151	12,256,848	10,649	7.99%	85	17:1	15:1	1,147	1,099	-5.13%
2006-2007	1,174	13,230,406	11,270	5.83%	100	13:1	12:1	1,163	1,118	1.39%
2007-2008	1,159	14,215,859	12,266	8.84%	97	12:1	11:1	1,160	1,110	-0.26%
2008-2009	1,120	14,618,736	13,052	6.41%	98	12:1	11:1	1,122	1,078	-3.28%
2009-2010	1,082	14,134,786	13,064	0.09%	93	11:1	11:1	1,083	1,039	-3.48%
2010-2011	1,047	13,665,443	13,052	-0.09%	84	11:1	11:1	1,032	991	-4.71%
2011-2012	1,033	14,276,048	13,820	5.88%	89	11:1	12:1	1,034	992	0.19%

Sources: District Records

Note: Enrollment based on annual October district count.

a-Operating Expenditures equal total expenditures less debt service and capital outlay.

b-Teaching staff includes only full-time equivalents of certificated staff.

c-Average daily enrollment and average daily attendance are obtained from the School Register Summary at June 30.

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BYRAM TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years*

<u>District Buildings</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Elementary</u>								
Byram Lakes Elementary (2003)								
Square Feet	85,173	85,173	85,173	85,173	85,173	85,173	85,173	85,173
Capacity(students)	892	892	892	892	892	892	892	892
Enrollment	659	626	638	627	607	547	547	548
<u>Middle</u>								
Intermediate Middle School (1974)								
Square Feet	87,931	87,931	87,931	87,931	87,931	87,931	87,931	87,931
Capacity(students)	614	614	614	614	614	614	614	614
Enrollment	569	525	536	532	513	535	500	485

Number of Schools at June 30, 2012
 Elementary=1
 Middle=1

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions

* GASB requires that ten years of statistical data be presented. However, since fiscal year 2005 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

BYRAM TOWNSHIP SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-xxx

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
* School Facilities										
Project # (s)										
Consolidated Elementary										16,031.00
Intermediate Middle	134,685.41	48,434.82	50,921.00	97,869.72	60,220.00	79,186.00	102,319.00	102,451.00	100,816.00	77,501.00
Byram Lakes Elementary	32,079.73	20,866.57	31,117.00	29,859.91	31,530.00	29,520.00	42,683.00	59,749.00	34,427.00	
Total School Facilities	166,765.14	69,301.39	82,038.00	127,728.63	91,750.00	108,706.00	145,002.00	162,200.00	135,243.00	93,532.00

* School facilities as defined under EFCA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

BYRAM TOWNSHIP SCHOOL DISTRICT

**Insurance Schedule
June 30, 2012**

	<u>Coverage</u>		<u>Deductible</u>
School Package Policy - Schol Alliance Insurance Fund:			
(Pooled Coverage):			
Building and Contents (All Locations)	250,000,000	Per Occurrence	100,000
Boiler and Machinery	100,000,000	Per Occurrence	1,000
School Board Legal Liability	5,000,000		5,000
Employers Liability	5,000,000		0
Workers Compensation	Statutory	Per Occurrence	100,000
Comprehensive General Liability	5,000,000		
Comprehensive Automobile Liability	5,000,000		
Surety Bonds (Selective Insurance)			
Treasurer	250,000		
Board Secretary / Business Asministrator	250,000		

Source: District records.

SINGLE AUDIT SECTION

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and
Members of the Board of Education
Township of Byram School District
County of Sussex, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Township of Byram School District in the County of Sussex as of and for the fiscal year ended June 30, 2012 which collectively comprise the basic financial statements of the Board of Education of the Township of Byram School District in the County of Sussex, and have issued our report thereon dated September 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Board of Education of the Township of Byram School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Township of Byram School District Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Byram School District Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of Byram School District Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

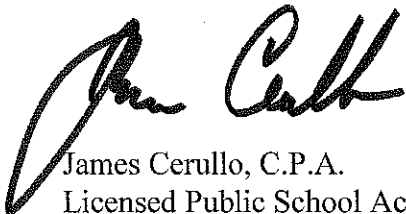
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

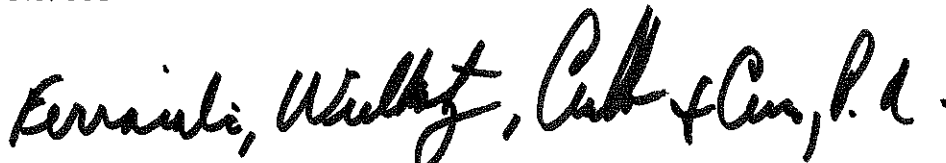
As part of obtaining reasonable assurance about whether the Township of Byram School District Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

However, we noted certain immaterial instances of noncompliance, that we have reported to the Board of Education of the Township of Byram School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated September 17, 2012.

This report is intended solely for the information of management, the Township of Byram Board of Education, New Jersey State Department of Education and other state and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.



James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

September 17, 2012

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkottz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable President and
Members of the Board of Education
Township of Byram School District
County of Sussex, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Township of Byram School District in the County of Sussex with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012. Township of Byram School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Township of Byram School District Board of Education's management. Our responsibility is to express an opinion on the Township of Byram School District Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions the New Jersey State Treasury Circular Letter 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards, and OMB Circular A-133 and N.J. OMB Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township of Byram School District Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township of Byram School District Board of Education's compliance with those requirements.



In our opinion, the Township of Byram School District Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the fiscal year ended June 30, 2012.

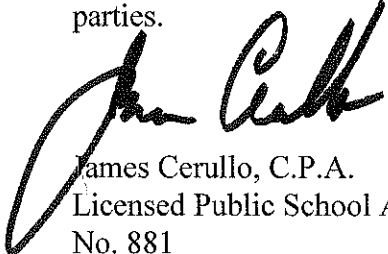
Internal Control Over Compliance

The management of the Township of Byram School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Township of Byram School District Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Byram School District Board of Education's internal control over compliance.

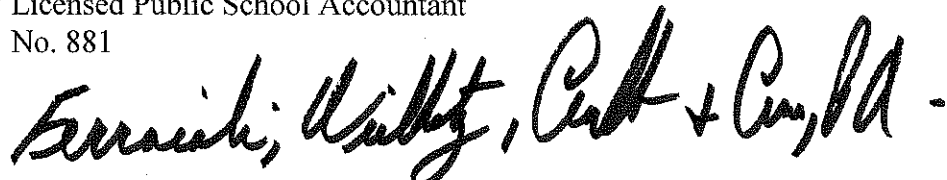
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the management, the Township of Byram Board of Education, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.



James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

September 17, 2012



BYRAM TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2012

Federal Grant/Pass-Through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011	Carryover/ Adjustments	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balance	Balance at June 30, 2012		MEMO Cumulative Total Expenditures
										Accounts Receivable	Deferred Revenue	
U.S. Department of Education:												
General Fund:												
Education Jobs Fund	84.410A	ARRA	08/10/10-09/30/12	126,906.00		-	72,870.00	(104,100.00)		(31,230.00)		*
Total General Fund							72,870.00	(104,100.00)		(31,230.00)		*
U.S. Department of Agriculture Passed-Through State Department of Education:												
Enterprise Fund:												
U.S.D.A. Commodities Program	10.550		07/01/11-06/30/12	23,576.94	5,203.17	5,203.17	23,576.94	(25,350.74)			3,429.37	*
U.S.D.A. Commodities Program	10.550		07/01/10-06/30/11	20,389.43	5,203.17	(5,203.17)						*
U.S.D.A. Commodities Program	10.555		07/01/11-06/30/12	43,330.04			41,098.61	(43,330.04)		(2,231.43)		*
National School Lunch Program	10.555		07/01/10-06/30/11	40,731.56	(8,530.66)		8,530.66					*
National School Lunch Program	10.555		07/01/11-06/30/12	1,310.37			1,248.47	(1,310.37)		(61.90)		*
Special Milk	10.556		07/01/10-06/30/11	1,160.13	(260.38)		260.38					*
Special Milk	10.556		07/01/11-06/30/12									*
Total Enterprise Fund					(3,587.87)	-	74,715.06	(69,991.15)		(2,293.33)	3,429.37	*
U.S. Department of Education Passed-Through State Department of Education:												
Special Revenue Fund:												
Title I - Improving Basic Programs	84.010	NCLB0640-11	09/01/10-08/31/11	18,825.00	(4,759.24)		5,017.00	(257.76)				*
Title I - Improving Basic Programs	84.010	NCLB5690-12	09/01/11-08/31/12	20,079.00			3,741.00	(11,161.00)		(7,420.00)		*
Title II-A- Teacher & Principal Training/Recruiting	84.367	NCLB0640-11	09/01/10-08/31/11	16,692.00	(6,269.00)		6,269.00					*
Title II-A- Teacher & Principal Training/Recruiting	84.367	NCLB5690-12	09/01/11-08/31/12	14,951.00			14,589.00	(14,951.00)		(362.00)		*
Title IV- Safe and Drug Free Schools	84.186	NCLB5690-10	09/01/09-08/31/10	1,762.00	(958.00)		958.00					*
I.D.E.A. Part B - Basic Regular	84.027	IDEA0640-11	09/01/10-08/31/11	203,133.00	(7,436.00)		7,436.00					*
I.D.E.A. Part B - Basic Regular	84.027	IDEA0640-12	09/01/11-08/31/12	201,092.00			201,092.00	(201,092.00)				*
I.D.E.A. Part B - Preschool	84.173	IDEA0640-10	09/01/10-08/31/11	10,771.00	(215.00)		10,771.00	(10,771.00)				*
I.D.E.A. Part B - Preschool	84.173	IDEA0640-12	09/01/09-08/31/10	10,573.00			215.00					*
ARRA Part B - Basic	84.391	ARRA0640-10	09/01/09-08/31/11	231,223.00	(11,088.14)		22,173.00	(11,084.86)				*
Total Special Revenue Fund					(30,725.38)	-	272,261.00	(249,317.62)		(7,782.00)		*
TOTAL FEDERAL FINANCIAL AWARDS												
					(34,313.25)	-	419,846.06	(423,408.77)		(41,305.33)	3,429.37	*

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

BYRAM TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2012

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011		Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjustment/ Repayment of Prior Year's Balance	Balance at June 30, 2012			MEMO		
				Deferred Revenue/ (Accts. Receivable)	Due To Grantor					Accounts Receivable	Deferred Revenue	Due To Grantor at	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:															
General Fund:															
Transportation Aid	12-495-034-5120-014	07/01/11-06/30/12	296,117.00				267,280.00	(296,117.00)					*	(28,837.00)	296,117.00
Special Education Categorical Aid	12-495-034-5120-089	07/01/11-06/30/12	508,241.00				438,747.00	(508,241.00)					*	(49,494.00)	508,241.00
Equalization Aid	12-495-034-5120-078	07/01/11-06/30/12	2,434,461.00				2,197,386.00	(2,434,461.00)					*	(237,075.00)	2,434,461.00
Security Aid	12-495-034-5120-084	07/01/11-06/30/12	69,207.00				62,467.00	(69,207.00)					*	(6,740.00)	69,207.00
Extraordinary Special Education Costs Aid	11-100-034-5120-473	07/01/10-06/30/11	107,694.00	(107,694.00)			107,694.00						*	-	-
Extraordinary Special Education Costs Aid	12-100-034-5120-473	07/01/11-06/30/12	76,905.00					(76,905.00)					*	-	76,905.00
Reimbursement of Nonpublic Transportation	11-495-034-5120-014	07/01/10-06/30/11	6,204.86	(6,204.86)			6,204.86						*	-	-
Reimbursement of Nonpublic Transportation	12-495-034-5120-014	07/01/11-06/30/12	5,012.92				423,527.00	(5,012.92)					*	(5,012.92)	5,012.92
On-Behalf TPAF - Post Retirement Medical	12-495-034-5095-001	07/01/11-06/30/12	423,527.00				190,265.00	(423,527.00)					*	-	423,527.00
On-Behalf TPAF - Pension	12-495-034-5095-006	07/01/11-06/30/12	190,265.00				20,418.00	(190,265.00)					*	-	190,265.00
On-Behalf TPAF - Non-contributory Insurance	12-495-034-5095-007	07/01/11-06/30/12	20,418.00				476,325.81	(20,418.00)					*	-	20,418.00
Reimbursed TPAF - Social Security	12-495-034-5095-002	07/01/11-06/30/12	476,346.99					(476,346.99)			(21.18)		*	-	476,346.99
Total General Fund				(113,898.85)	-	-	4,210,314.67	(4,500,500.91)	-	-	(81,939.10)	-	*	(322,146.00)	4,500,500.91
Debt Service Fund:															
Debt Service Aid Type II	12-495-034-5120-017	07/01/11-06/30/12	11,098.00				11,098.00	(11,098.00)					*	-	11,098.00
State Department of Agriculture:															
Enterprise Fund:															
National School Lunch Program (State Share)	11-100-010-3350-023	07/01/10-06/30/11	3,108.63	(820.00)			820.00						*	-	-
National School Lunch Program (State Share)	12-100-010-3350-023	07/01/11-06/30/12	2,596.73				2,466.83	(2,596.73)			(129.90)		*	-	2,596.73
Total Enterprise Fund				(820.00)	-	-	3,286.83	(2,596.73)	-	-	(129.90)	-	*	-	2,596.73
TOTAL STATE FINANCIAL ASSISTANCE															
				(114,718.86)	-	-	4,224,699.50	(4,514,195.64)	-	-	(82,069.00)	-	*	(322,146.00)	4,514,195.64

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Township of Byram School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and the special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(28,629.00) for the general fund and \$2,419.29 for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$104,100.00	\$4,472,382.91	\$4,576,482.91
Special Revenue Fund	251,736.91		251,736.91
Debt Service Fund		11,098.00	11,098.00
Food Service Fund	<u>69,991.15</u>	<u>2,596.73</u>	<u>72,587.88</u>
Total Awards and Financial	<u>\$425,828.06</u>	<u>\$4,486,077.64</u>	<u>\$4,911,905.70</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

Byram Township School District had the following loan balances outstanding at June 30, 2012:

<u>Loan Program Title</u>	<u>Amount Outstanding</u>
Safe Schools Program	\$25,094.86
Small Projects Program	<u>81,958.03</u>
	<u>\$107,052.89</u>

NOTE 6. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

**TOWNSHIP OF BYRAM SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no
2. Significant deficiencies identified that are
not considered to be material weaknesses? yes X none reported

Noncompliance material to basic financial
statements noted? yes X no

Federal Awards

Not Applicable

**TOWNSHIP OF BYRAM SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(continued)**

Section I - Summary of Auditor's Results, (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? X yes no

Type of auditor's report issued on compliance for major programs: unqualified

Internal Control over major programs:

1. Material weakness(es) identified? yes X no

2. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Any audit findings disclosed that are required to be reported
in accordance with NJ OMB Circular Letter 04-04? _____ yes _____ **X** no

Identification of major programs:

GMIS Number(s)

Name of State Program

12-495-034-5120-078

Equalization Aid

12-495-034-5120-089

Special Education Aid

**TOWNSHIP OF BYRAM SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(continued)**

Section II - Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

No matters were reported.

**TOWNSHIP OF BYRAM SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Status of Prior Year Findings

There were no prior year audit findings.